

CABINET

23 JANUARY 2013

REPORT OF ENVIRONMENT AND COAST PROTECTION PORTFOLIO HOLDER

A.10 BEREAVEMENT SERVICES, CAPITAL WORKS AND INCOME MATTERS

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek Cabinet approval to proceed with tenders for capital works at Weeley Crematorium following the receipt of a consultants report from Ramsey Project Management (RPM) in May 2012, together with potential income proposals.

EXECUTIVE SUMMARY

This report provides Members with information on the state of the existing cremators and the advantages and disadvantages of the replacement optionS. The report also provides information on the Council's obligations to abate mercury from the cremation process and provides some ideas on opportunities for income generation.

RECOMMENDATION(S)

That Cabinet

- a) Approves the obtaining of tenders for the replacement of the existing cremators.
- b) Approves the obtaining of tenders for the extension to the flower court to include a wall of remembrance to be constructed at the same time as the cremators are replaced to ensure value for money in tendering the work as one project.
- c) Defers the decision to install mercury abatement equipment.
- d) Approves the appointment of project management consultants for items a) and b) above up to tender evaluation stage funded from the allocated capital programme budget.
- e) Requests Overview and Scrutiny Committee investigates the development of either a woodland burial site or/and a pet cemetery and reports back to Cabinet with its findings.
- f) Authorise Officers to enter into a local burden sharing scheme with neighbouring crematoria, the cost of this scheme being met by the addition of an extra fee on each cremation to be agreed with the Portfolio Holder for Environment and Coast Protection.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Corporate Plan 2009-2016 state that;-

We are committed to ensure that value for money is achieved in everything we do. We are committed to managing our performance effectively to ensure that we deliver our priorities. The proposed action to replace cremators and improve facilitates meets both of these priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The estimated costs of the works proposed are given in the body of the report. The approved capital programme includes a budget of £700,000. This is financed by way of a separate Cremator Replacement Reserve which is estimated to stand at £996,000 at 31st March 2013. There is an annual contribution to the reserve of £233,000. The capital programme will need to be amended to reflect the required budget provision to enable any agreed works to proceed. It is expected that such works could be funded through the specific reserve but if this was not the case then additional funding would need to be identified elsewhere.

Risk

As indicated above if the current cremators are not replaced there will be an increased risk of malfunction and therefore breakdown which could result in problems cremating within an acceptable timescale, loss of business to other crematoria and a loss of reputation for the Council.

LEGAL

This action is within the discretionary powers of the Council.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder/Equality and Diversity/Health Inequalities/Consultation/Public Engagement

Ward

Little Clacton and Weeley

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The background to the Capital Works is detailed in the Executive Summary above, together with the report from RPM.

Capital Works

1. Replacement of the two existing cremators

The existing two Cremators, which were installed in 1997, are now 15 years old and

although they have received regular maintenance they have completed over 20,000 cremations and are now near to the end of their economic working life.

Retaining the existing cremators would have the implication of an increased risk of malfunction and possible breakdown resulting in problems cremating within an acceptable timescale, a loss of business to other crematoria and a loss of reputation for the Council.

If new cremators are to be installed two options are available;-

- a. Remove the two existing cremators and replace with two new cremators in the same location,

Advantages	Disadvantages
<ul style="list-style-type: none"> • The equipment will fit into the existing space. • Minimal civil works required. 	<ul style="list-style-type: none"> • No opportunity to increase width of cremator to receive wider coffins and increase income potential. • To minimise civil works the Cremators would be built on site which would increase the contract period and also the potential down time for the existing cremators in use, • The Cremators could be built off site which would increase the civil work but decrease the down time.

- b. Remove the two existing cremators and replace with two new cremators located in a new location,

Advantages	Disadvantages
<ul style="list-style-type: none"> • Cremator shutdown period reduced to a short period of time. • Cremators located in a position to enable the current cremator location to be used for future mercury abatement equipment. • Opportunity to improve the office accommodation. • Cremators can be built off site, reducing length of contract. 	<ul style="list-style-type: none"> • Higher capital cost than option a. • Greater civil works required to extend the building and provide new office accommodation to make space for the new cremators. • Temporary office accommodation required for the period of the works.

2. Mercury Abatement

Crematoria are regulated under the Environmental Protection Act and the Department of Environment, Food and Rural Affairs (DEFRA) and DEFRA has issued statutory guidance

requiring 50% of all cremations at existing crematoria to be subject to mercury abatement by 31st December 2012. The equipment reduces the flue gas temperature to enable the mercury vapour to be removed prior to the flue gases exiting the flue into the atmosphere. The guidance also indicates that all cremations are to be abated by 2020.

The Convention for the Protection of the Marine Environment of the North-East Atlantic (the OSPAR Convention) to which the UK is a leading signatory also states that mercury emission will be eliminated by 2020, reinforcing the DEFRA statutory guidance that all EU Countries are likely to come in line with the OSPAR convention within the next 8 years.

This information has previously been provided to Members in the budget report for 2010/2011 and at that time the Council took the decision not to install abatement equipment by the first date of 31st December 2012.

If the decision is taken to install new cremators it would be prudent to obtain costs for the abatement equipment at the same time.

Advantage of installing abatement equipment at the same time as new cremators	Disadvantage of installing abatement equipment at the same time as new cremators
<ul style="list-style-type: none"> • Lower cost civil works. • Possible shutdown time reduced. • Possible opportunity to gain income out of a burden sharing scheme. • A reduced time period to pay into a burden sharing scheme. 	<ul style="list-style-type: none"> • Higher initial capital cost

Until the time abatement equipment is fitted and commissioned under the Government's 'The Environmental Protection (England) (Mercury Abatement Emissions) Direction 2008' the Council is required to notify its regulator, the Council's Environmental Services Team, of its intentions in respect of entering into a burden sharing arrangement to offset the cost of abatement either via a national scheme or at one of more local crematoria. Current levels of payment are indicated in the options below.

If the Council were to abate at the same time as installing cremators it may be able to generate income from the sale of abated credits, either by the national scheme or by a local agreement. At this point in time however officers are unable to accurately predict the actual level of income that would be received from either scheme. Payment from the national scheme will be dependant upon the number of abated crematoria that join, the greater the number the less the payout will be, current estimates suggest £35 per cremation, but actual figures will not be known until mid 2014, and could be less than £35 if more crematoriums abate. Fitting mercury abatement equipment would give this Council the best chance of recovering some of the cost over the next few years, assuming that the 2020 ruling is applied.

As indicated above the income figure is still unknown and it may therefore be prudent to postpone the installation of abatement equipment until either an accurate income figure is known or until the statutory guidance confirms the requirement for all cremations to be abated by 2020.

All neighbouring crematoria including, Colchester, Ipswich, Chelmsford, Southend, and Nacton have installed abatement equipment and quotations for a local burden sharing scheme have been sought from a number of them that can operate from the 1st January 2013.

Options for burden sharing as abatement equipment has not been installed by the initial deadline date of 31 December 2012 are as follows;-

a. National burden sharing scheme (CAMEO) administered by the Federation of Burial & Cremation Authorities.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No payment for unabated cremations to be made until mid 2014. 	<ul style="list-style-type: none"> • Currently there is no firm indication of what the payment per cremation will be. • Whilst a payment would be due for the period January to March 2013 all payments will be in the financial year 2014/2015. • If the cost per cremation is to added to the cremation charge no accurate figure could be added until mid 2014.

b. Local burden sharing scheme with two local crematoria

Advantages	Disadvantages
<ul style="list-style-type: none"> • Quotations received • Payments can be made in the financial year in which they are due • Additional cost per cremation already known and this could be added immediately to each cremation which will mitigate the burden sharing charges above and therefore the burden sharing will be at nil cost to the Council. 	<ul style="list-style-type: none"> • Local crematoria could withdraw from local scheme leaving us to enter the national scheme

3. Improvements to the public facilities

The Crematorium has an issue in that the existing flower court that serves as the exit route from the chapel is not long enough to accommodate everyone attending a service and on

many occasions the start of the following service is delayed whilst the public exits from the previous service.

If a decision is taken to carry out any of the works detailed above it would be prudent to carry out works to the flower court at the same time thus minimising the disruption to the public thus ensuring value for money for the Council.

4. Project Management for Capital Works

It is important that if any of the above projects are to proceed a project team is formed consisting of officers from relevant services of the Council and lead by a project management consultant who is experienced in this type of complex civil, mechanical & electrical, and engineering work projects. RPM are one of only a small number of consultants who have worked on at least 15 similar projects. It is therefore proposed to seek quotations in accordance with the Council's Constitution for these essential project management skills.

The project has been discussed with the Council's technical officers who have confirmed that they do not have the expertise or experience to manage this project. The cost of project management is dependant upon the scale of the works to be carried out however it is expected to be between 12% and 15% of the cost of the capital works.

Potential Income generation

1. Woodland Burials

Members will be aware that there is currently one privately owned woodland burial site in Tendring, at Wrabness which it is estimated carries out between 80 and 100 full burials each year at a maximum cost of £795 each. Each burial provides an undisturbed permanent resting place with a native broadleaf tree planted beside each grave and marked by a simple wooden plaque. This private site has capacity for a further 20 to 30 years.

There are two options open to the Council if it wishes to carry out woodland burials.

a. Develop land currently in the Council's ownership.

Discussions have been held with the Asset Manager and the only location of a suitable size is the land to the rear of the crematorium. This site could cater for up to 500 burials and whilst the land forms part of the Crematorium it is expected that planning consent for a change of use from open space to burial land will be required and subject to further soil tests drainage may need to be installed.

Smaller areas in Clacton, and Kirby cemeteries could be used but the initial outlay for drainage may still be required, however areas catering for up to 100 burials could be established.

b. Purchase land for the development of a woodland burial site

Agricultural land is currently being sold at between £26,000 and £28,000 an hectare however to ensure sufficient space for the medium to long term a site between 5 and 10 hectares would be preferred. As in 1. above planning consent would be required and subject to further soil tests drainage is likely to be required.

Should a woodland burial site be developed within Tendring it would have an impact upon the annual number of cremations or traditional burials being carried out, although it is difficult to assess number or the potential income loss.

The establishment of a woodland burial site would be in direct competition with the private sector but would offer an alternative to the residents of Tendring.

2. Pet Cemetery

There are currently no pet crematoria or cemeteries within the Tendring District and only two pet crematoriums in Essex and only one in Suffolk, none of these carry out pet burials. The cost of pet cremation ranges from £70 for small animals through £225 for large dogs and the fees for burial at other locations vary from £160 to £250 for green burials excluding annual maintenance costs.

A new pet burial site would have the same initial set up and infrastructure costs as a woodland burial site as detailed above, and due to the high set up costs a return on the capital outlay would not be achieved for many years.

3. Wall of Remembrance

The Crematorium currently offers a range of memorial opportunities including, plaques in the summer house, and plaques adjacent to planted shrubs of trees. These are sold on an initial 5 or 10 year basis, renewable after the initial period. These schemes have been very successful and as a consequence space for new memorials is limited.

A new flower court could incorporate a wall of remembrance for plaques which at little cost will generate an addition income generation opportunity, and to provide an alternative to the above 5 or 10 year options these plaques could be for perpetuity and charged accordingly.

CURRENT POSITION

Further to the report by RPM dated May 2012 clarification from Members is required to enable Officers to proceed to the next stage.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Report from Ramsey Project Management dated May 2012.