

AGENDA ITEM 8**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****24TH SEPTEMBER 2015****REPORT OF GROUP DIRECTOR, COMMUNITY & CHILDREN'S SERVICES****REPLACEMENT OF THE CREMATORS AT GLYNTAFF CREMATORIUM**

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1. PURPOSE OF THE REPORT

The purpose of this report is to seek approval to commence the procurement process to replace both cremators and install mercury abatement equipment at Glyntaff Crematorium.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Approve the proposals for the replacement of the cremators and the installation of mercury abatement equipment at Glyntaff Crematorium.
- 2.2 Authorise the Service Director, Public Health and Protection, to commence the procurement process in consultation with the Service Director, Procurement, and the Service Director, Financial Services.
- 2.3 Authorise use of the existing 'Replacement of Cremators' Earmark Reserve to fund the replacement of the cremators, with any shortfall at final contract award stage being met through existing Service revenue and capital budgets.

3. BACKGROUND

- 3.1 Glyntaff Crematorium was built in 1924 and was the first crematorium to be built in Wales. Demand for services remains consistent and a breakdown of the number of cremations provided each year is provided in Table I.

Table I - Cremations

Year	Cremations
2010/11	1278
2011/12	1204
2012/13	1245
2013/14	1241
2014/15	1254

- 3.2 A cremator can typically be expected to continue in effective operation for a period of 15 years. The cremator will continue to operate efficiently after this period, subject to maintenance and repair, but is likely to require replacement before it completes 20 years of operation.
- 3.3 All crematoria must comply with an environmental permit issued by the local authority under the Environmental Permitting (England & Wales) Regulations 2010. Failure to comply with the conditions of this permit could lead to the permit being revoked and the crematorium losing the authority to operate.
- 3.4 The cremators at Glyntaff were installed in 1998 and are now 17 years old. Although the cremators have been well maintained and are compliant with the environmental permit they will need to be replaced within the next three years. In the past year one of the cremators required relining at a cost of £12,500. If arrangements are not made for replacement then maintenance and repair costs are likely to increase as the equipment ages. Given the specialist nature of this work and the potential disruption caused by replacing the cremators it would be necessary to plan for this work in advance and commence a procurement process that may take approximately 2 years.

MERCURY ABATEMENT

- 4.1 Crematoria across England & Wales are required to abate emissions of Mercury by 50% (of 2003 levels) since 31 December 2012. Each crematorium has previously had to state how it intended to achieve these abatement requirements. This might be to install abatement equipment, or by other means, such as joining a 'burden sharing' scheme. Glyntaff Crematoria has opted to burden share the costs with payments commencing in January 2013.
- 4.2 DEFRA/Welsh Government has accepted that a 50% reduction in emissions could be achieved by a system of burden sharing across the country. The Federation of Burial & Cremation Authorities and the Cremation Society has devised a scheme known as CAMEO (Crematoria Abatement of Mercury Emissions Organisation). This scheme has the approval and support of DEFRA/Welsh Government and has been in operation since January 2013.
- 4.3 The CAMEO scheme allows burden sharing which identifies a 'per cremation' cost/income for those participating in the scheme with payments made by non abating crematoria, this money then being redistributed to crematoria that abate.

RESOURCE IMPLICATIONS

- 5.1 The budget summary for Bereavement Services is presented at Table II.

Table II – Budget Summary 2015/16 (excluding Llwydcoed Crematorium)

Salaries	£856k
Supplies & Services	£518k
Total Expenditure	£1,374k
Income	£1,583k
Net Budget	-£209k

- 5.3 The service has a capital programme of £135k per annum. This budget is used for investment works such as new burial grounds and maintenance or improvement costs associated with the many buildings, chapels, mess facilities, access roads, cemetery walls and general infrastructure associated with the service
- 5.4 The current priorities for the capital programme for 2015/16 and 2016/17 are:
- Glyntaff Columbarium – refurbishment of building
 - Dan-y-Cribyn Cemetery - completion of the first phase development of new burial grounds
 - Treorchy Cemetery – development of extension to burial grounds to ensure continuity of burial capacity
- 5.5 These projects are likely to fully commit the capital budget for the next two to three financial years, after which the capital budget could be directed to the cremator replacement.
- 5.6 There are a number of sensitivities around the costs including the feasibility of the existing building to accommodate the additional abatement equipment; the potential implications of ecological studies and any requirements for building conservation.
- 5.7 Recognising the operational lifespan and financial risk associated with the replacement of cremators, the Council has established a replacement reserve to fund such an eventuality.
- 5.8 The replacement of the cremators will inevitably result in disruption to services, however this can be minimised by installing and commissioning the two cremators separately and managing the necessary building and installation work around opening times to maintain services as far as is possible. This will maintain the availability of the facility and minimise any loss of income.
- 5.9 The capital costs could be significantly reduced by not installing the mercury abatement equipment. However, this would then require an ongoing financial commitment to pay into the CAMEO burden sharing scheme. This “environmental surcharge” is currently set at £45 per cremation and applies to 50% of the total number of cremations per year (approximately £30,000 per annum).

6 DISCUSSION

- 6.1 Without investment, the facility will increasingly find it difficult to meet the requirements of its environmental permit as the performance of the cremators deteriorates. At present the facility is likely to have a further three years of efficient use without significant investment.
- 6.2 The Council could decide not to replace the cremators once they are no longer serviceable. This would mean that residents would need to seek cremation services from elsewhere, such as the facilities at Bridgend, Cardiff or Llwydcoed. This would mean the loss of approximately £800k in income, which in part subsidises the provision of the burial service.

- 6.3 Given the level of demand for cremation services in Glyntaff it is possible that a private sector provider would be interested in developing a new facility in the vicinity if a suitable site could be identified. This is likely to involve significant development costs; identifying a suitable site for such a facility may be challenging and the facility would need to be run at a profit, thereby resulting in an increase in cremation fees.
- 6.4 Despite its limitations, Glyntaff Crematorium provides a service that is highly valued and given the consistent numbers of services each year it is likely to remain a viable and sustainable facility for the foreseeable future. The Council has already reserved funds that will meet the majority of the costs of replacing the cremators.
- 6.5 The additional environmental requirements of mercury abatement significantly increase the costs. This would however ensure that the facility is fully compliant with environmental requirements and would remove the requirement to pay into the CAMEO burden sharing scheme.
- 6.6 This project will need to go through a procurement process to ensure that the cremators and abatement plant best suited to the crematorium are identified and to ensure that the Council can demonstrate that it has obtained “best value” for money. A project team will be established to manage this process. It is anticipated that given the requirement to undertake feasibility studies, prepare detailed plans and tender specifications and to obtain necessary consents, work will commence on site during the summer of 2017.

7. CONCLUSION

Glyntaff Crematorium has provided dignified services for the bereaved since 1924. In addition to serving Rhondda Cynon Taf, Glyntaff Crematorium also serves residents of other neighbouring local authorities. If the facility is to continue to provide these highly valued services the Council will need to invest in the replacement of the cremators.