

Taunton Deane Borough Council

Executive – 16 September 2009

Mercury Abatement - Taunton Deane Crematorium

**Report of the Cemeteries and Crematorium Manager and Registrar
(Paul Rayson)**

(This matter is the responsibility of Executive Councillor Tim Slattery)

1. Purpose of Report

- 1.1 To advise the Council of the tenders received from manufacturers to supply filtration equipment and suggest an alternative arrangement to obtain full legislative compliance with the requirements of DEFRA and Government's PG5/2 legislation.

Executive Summary

Since 1 April 2006 Taunton Deane Crematorium has been saving £35 per cremation towards the purchase of mercury filtration equipment, to date over £230,000 has been reserved for this project.

Tenders sought for filtration equipment varied in both price and quality. In all five tenders were received with the most favourable manufacturer quoting £551,214 plus optional extras for all three cremators to be filtered for mercury and an additional £100,000 (guide price) for a building extension to house the equipment. One manufacturer recommended replacing the existing three cremators with two new cremators at the same time as installing filtration equipment.

The crematorium is a listed building and it is clearly beneficial to avoid a building extension if at all possible. The proposed extension will also be at the rear of the building occupying space currently reserved for disabled persons parking and would be highly visible.

The crematorium provides the Council with a large annual financial surplus and the crematorium cremation fee is amongst the top national quarter.

This report proposes for the tendering and installation of three new cremators and filtration equipment which will provide the Council with a greater choice of supplier, the provision of a large cremator, limit work to the exterior of the building and long term-reduced costs.

A business case to re-evaluate this project has been constructed and it is recommended that the scheme be re-tendered for three new cremators and filtration equipment, to be financed through savings and borrowing.

2. Background

- 2.1 Taunton Deane Crematorium carries out over 2200 cremations per annum.
- 2.2 The crematorium is a great asset to the council. It was built in 1963 to a very high specification and is truly an outstanding example of this type of facility, in fact; the building has been listed due to its architectural interest.
- 2.3 The crematorium has a catchment area that well extends the borough boundary and attracts business from Bridgwater, Chard and Minehead.
- 2.4 Taunton Deane Crematorium is currently equipped with three-Joule cremators installed and maintained by Furnace Construction.
- 2.5 Emissions from crematoria have been regulated under Part 1 of the Environmental Protection Act 1990 since 1991. These controls have not, however addressed emissions of mercury from crematoria, DEFRA and Government's PG5/2 legislation has addressed this issue. It is estimated that in the absence of intervention, emissions of mercury from crematoria would rise by two-thirds from 2000 to 2020. In response to this DEFRA consulted with the industry on the introduction of gas cleaning equipment to remove mercury emissions.
- 2.6 Due to the prohibitive cost on smaller crematoria of this equipment a compromise approach has been agreed, whereby 50% of cremations will be abated for mercury by 2012.
- 2.7 The current cremators are over twelve years old and have carried out over 26,000 cremations. The annual independent testing for emissions to air limits demonstrates that they are currently working within the present legal requirements.
- 2.8 The cremators are regularly serviced and re-bricked, although continual problems have been experienced with the quality of maintenance and repair. The crematorium is rather restricted to the use of the manufacturer as servicing agent due to the computer programs installed to operate the equipment.
- 2.9 If the existing cremators are to remain then the current EPA equipment on each machine will need replacing, this will cost £13,000 per machine.
- 2.10 To give members an idea of other costs; the re-bricking of each cremator is £15,000 (this is normally carried out every 3-4 years) and servicing/maintenance costs from revenue expenditure over the last five years is detailed below;-

•	2004/05	£22,330.95
•	2005/06	£22,135.14
•	2006/07	£24,915.40
•	2007/08	£19,161.75
•	2008/09	£38,130.02

3. Options (DEFRA)

- 5.1 Operators may either upgrade their existing crematoria to trade emissions limits with other crematoria or a combination of both to achieve 50% reduction of mercury emissions.
- 5.2 A single crematorium can abate 50% of its cremations and not trade emissions.
- 5.3 Local authorities with 2 or more crematoria can trade internally provided they can provide evidence of achieving 50% reduction in mercury emissions.
- 5.4 Two or more operators could form their own arrangement provided they can provide evidence of achieving 50% reduction in mercury emissions.
- 5.5 DEFRA have made it clear that if a 50% reduction of mercury emissions cannot be demonstrated then the alternative option of targeting those crematoria with the highest number of cremations will come into play; Taunton Deane Crematorium is within this group.
- 5.6 The Federation of Burial and Cremation Authorities have proposed a burden-sharing scheme (CAMEO) whereby cremation authorities can trade emission rights. An authority that abates for mercury will be able to receive payments from those that do not abate.

4. Taunton Deane Crematorium

- 4.1 Taunton Deane Crematorium carries out an average of 2200 cremations per annum. If DEFRA is unable to get the 50% reduction it will be targeting crematoria that carry out over 1800 cremations per annum for abatement.
- 4.2 The main income generator for the crematorium is the cremation fee and a comparison with neighbouring crematoria is detailed below.
- 4.3 The table demonstrates the increase in cremation fee compared to other authorities over a ten-year period.

Crematorium	1998 (£)	1999 (£)	2000 (£)	2001 (£)	2002 (£)	2003 (£)	2004 (£)	2005 (£)	2006 (£)	2007 (£)
Bristol (Canford)	245	265	275	290	310	325	345	385	410	455
Bristol (South)	245	260	275	290	310	325	345	385	410	455
W-S-M	250	260	270	290	310	325	345	390	435	460
Barnstaple Plus Interment Fee	197	214	215	225	255	260	290	356	393	415
Exeter (Private) Plus Interment Fee	250	275	296	311	326	345	365	Not Known	418	450
Yeovil Plus Organist Fee	200	210	219	230	240	270	300	330	400	420
Taunton	186	198	208	219	270	295	355	399	459	479

5. Proposal

- 5.7 Re-tender the project for new cremators and filtration equipment.
- 5.8 Estimated project price £1,000,000. Finance to come from savings and borrowing which will be paid back from the cremation fee income.

6. Benefits

- 6.1 Taunton Deane is a major cremation authority; the installation of new cremators and filtration equipment will be a long-term investment.
- 6.2 If the Council choose to re-tender the project requesting cremator and filtration equipment a wider and more selective response from manufacturers will be received.
- 6.3 There is an opportunity to replace the existing equipment and install new cremators and filtration equipment without extending the building, saving building costs.
- 6.4 There will be no planning issues involved with the new building extension.
- 6.5 The provision of a large cremator will enable the cremation of larger deceased persons. Currently we can accommodate a coffin up to 31 inches wide a large cremator will accept a coffin 41 inches wide.
- 6.6 The same manufacturer will supply the cremators and filtration equipment with no conflict of interest between suppliers during servicing, repair and maintenance.

7. Funding

- 7.1 The Council is currently saving £35 per cremation towards this project.
- 7.2 The cost will be £1,000,000 with £230,000 already in an earmarked reserve leaving a requirement for £770,000. The life of the asset will be 15 - 20 years.
- 7.3 The interest cost would be approx $5\% * £770k = £38.5k$ per annum and the MRP would be $£770k/20 \text{ years} = £38.5k$, therefore £77k per year.

Note: The MTFP assumes that the RCCO (which has been making up the £230k) stop in 2011/12 and this just also happens to be £77k.

- 7.4 The MTFP will need to be adjusted from 2011/12 onwards as it currently assumed that the £35 would drop out at this point.

8. Recommendations

- 8.1 It is recommended that the Council re-tender for mercury filtration equipment and three new cremators.
- 8.2 It is recommended that the total project cost be financed through the earmarked reserve and borrowing.

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