Agenda Item No:	
Report author:	Martin Gresswell
Tel:	39 52094

Report of : **Director of Environment and Neighbourhoods**

Report to : **Executive Board**

Date: **19th June 2013**

Subject: **Mercury Abatement - Cottingley Crematorium**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Beeston and Holbeck	☒ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☒ Yes	☐ No
Does the report contain confidential or exempt information?	☐ Yes	☒ No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. On the 25th August 2010, Executive Board approved the injection of £2.9m into the capital programme to fund mercury abatement works across the city's crematoria using the Council's prudential borrowing powers, to be funded by fees generated by the environmental surcharge introduced for this purpose in 2008. On 22nd June 2011 Executive Board approved expenditure of £1,645,050 to carry out mercury abatement works at Rawdon Crematorium. The works at Rawdon were completed in August 2012

2. The balance of the £2.9m, equating to £1.255m, not required for works at Rawdon and already injected into the capital programme, is available for further abatement works at Cottingley crematorium.

3. The 2010 report to Executive Board referred to the need to replace the cremators at Cottingley in 2016. Members should note that the two current Cremators at Cottingley are tested each year independently as part of the council's permit/licence to operate. This is a legal requirement regulated by DEFRA, and the Council's local Environmental Health Officer (EHO) in line with PG5/2(12).

4. In 2011 and 2012 the cremators at Cottingley failed the emission tests and required a re-test. The re-test in 2011 was successful, but in 2012 one cremator has been re-tested and failed again. The EHO has been notified and has agreed that the Council

may continue with operations at Cottingley provided that it is actively working to replace the cremators in the near future. This permit may be revoked if no action is taken and may lead to one cremator at Cottingley being decommissioned.

5. The new cremators at Rawdon have the technical capacity to deliver the city wide 50% mercury abatement target required by legislation, however the achievement of this target would require significant numbers of relatives of the deceased from the south of Leeds to travel through the city for funeral services in Rawdon. Whilst chapel services could still be held at the preferred choice of crematoria, there would be a need to transport the deceased to Rawdon for cremation.

6 The poor condition of the cremators at Cottingley, the need to achieve 50% mercury abatement across the city, and the issues around the location of funerals combine to make a strong case for installing cremators capable of abating mercury at Cottingley as soon as possible.

7. Due to the specialist nature of this work it is proposed to deliver the scheme at Cottingley through a single design and build contract. This approach, which was also implemented at Rawdon, transfers risk to the successful contractor/supplier and also ensures better management of interfaces between new plant installation and any minor associated building works.

Recommendations

8. Executive Board is recommended to:-

i) note and approve the works planned for Cottingley Crematorium

ii) note the expenditure of up to £90,000 on fees for the design and development of the specification for Cottingley and management of the subsequent design and build contract. To be funded from the £2.9m injected into the capital scheme in August 2010 and paid for from prudential borrowing and a continuing surcharge on cremations

iii) request that a Design and Cost Report is brought back to Executive Board once a more detailed cost estimate for the Cottingley works has been developed

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1 Purpose of this report

1.1 The purpose of the report is to:-

i) advise Members of the current position with regard to achieving the statutory 50% abatement of mercury emissions from the authority's crematoria.

ii) seek approval for the installation of cremators with mercury filtration equipment at Cottingley crematorium.

iii) advise members of the expenditure of fees up to £90,000 to allow the tendering of the works contract on a design and build basis, and management of the subsequent contract, to be funded from existing budget provision. The award of any contract to be subject to Executive Board approval of a Design and Cost Report to be submitted at a future Executive Board.

2 Background information

2.1 Leeds is a statutory burial and cremation authority. The Parks and Countryside service is responsible for the management of three crematoria, twenty three cemeteries and twenty five closed churchyards. It is the fifth largest burial authority in the country, dealing with approximately 5,200 cremations and approximately 900 burials per annum.

2.2 In 2000, legislation was introduced to amend Regulation 37 of the Pollution Prevention (England and Wales) Regulations 2000, SI 1973. Specifically, PG5/2(12) required that at least 50% of mercury emissions from crematoria should be abated before the 31st December 2012. This can be achieved by installing filtration plant to cremators to extract the mercury and thereby reduce emissions. Failure to comply with the legislation would constitute a breach in the operator's license issued by the Government, and could result in the forced closure of non-compliant cremators.

2.3 In 2008, the Government asked authorities what their intentions were on installation of abatement equipment. Leeds advised that it would comply with the 50% mercury emissions abatement by December 2012.

2.4 On 25 August 2010 Executive Board approved the preferred approach to achieve the 50% target by replacing cremators and abating mercury at Rawdon by December 2012.

2.5 The 50% mercury abatement target could be achieved at Rawdon. To do this 2,600 cremations would need to take place there. In 2012 a total of 1883 cremations were carried out at Rawdon. To increase cremations beyond this level would require a proportion of cremations which would currently take place at Cottingley, to be carried out at Rawdon, and could result in bereaved relatives and funeral corteges having to travel through the city centre. In 2012, 1,436 cremations took place at Cottingley, therefore if abatement is introduced at Cottingley this will comfortably exceed the 50% requirement and maintain current travelling arrangements for funeral directors and the bereaved.

2.6 Cremators are tested each year independently as part of the Council's permit/licence to operate. This is a legal requirement regulated by DEFRA, and the Council's local Environmental Health Officer (EHO) in line with PG5/2(12). In 2011 and 2012 the cremators at Cottingley failed these emission tests and required a retest, the re-test in 2011 passed, but this year one cremator had to be re-tested and failed again. The EHO was notified of the problem and has authorised the Council to continue with operations on condition that it is actively working to replace these cremators in the near future. This permit may be revoked if no action is taken and may lead to one cremator at Cottingley being decommissioned.

2.7 The manufacturer of the current cremators at Cottingley, who also holds the maintenance contract, has been contacted to investigate the problem with the emissions. They cannot offer a solution without significant financial commitment and are not prepared to offer any guarantees of improved performance using the existing cremators.

2.8 Over the last three years revenue expenditure of £53,112 has been spent maintaining the machinery at Cottingley, in addition a further £57,229 has been spent on necessary replacements from capital funds.

2.9 The August 2010 report to Executive Board noted that Cottingley would be unsuitable for mercury abatement due to the limited space which would require significant building modifications, and therefore proposed introducing mercury abatement at Lawnswood. Since 2010, the technology and equipment used for mercury abatement has advanced to the point where mercury filtration equipment can now be fitted to new cremators with minor civil works and alterations at Cottingley. As the cremators at Cottingley are due for replacement sooner than those at Lawnswood, replacing the cremators at Cottingley will achieve the statutory 50% mercury abatement over a shorter timescale.

3 Main Issues

3.1 Design Proposals and Full Scheme Description.

3.1.1. Due to the specialist nature of this work it is proposed to deliver the plant and the ancillary building works via a single design and build contract. This approach transfers risk to the successful contractor/supplier and also ensures better management of interfaces between new plant installation and building works.

3.1.2 The works proposed at Cottingley Crematorium will consist of:-

- two new cremators
- mercury abatement filtration plant (including civil works as required)
- a new heating system with heat re-use in the chapels, crematory, staff room, vestry, book of remembrance room, waiting room, toilets and lower chapel building;
- music system to include web casting and tribute screens;
- refurbishment of the above mentioned areas including windows, tiles, carpets, paint etc;
- re-design the entrance to the crematory to ensure DDA compliance

3.2 Programme –

The indicative programme is as follows and takes into account the potential utilisation of an existing framework (Pro5-crematoria solution). This option is currently under review:-

- Executive Board Approval for expenditure on the design and development of the specification for Cottingley crematorium to tender stage, 19th June 2103;
- Development of output specifications and sketch design development, July - September 2013;
- Tendering process, October – December 2013;

- Preferred contractor identified, January 2014;
- Development of designs and costs to RIBA stage D and submission of planning application, January 2014 – March 2014;
- DCR to Executive board, March 2014;
- Contract award, March 2014;
- Successful contractor undertakes detailed design, March – May 2014;
- Start on site, June 2014;
- Complete, December 2014.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation with local funeral directors regarding mercury abatement took place at Bereavement Services Forum meetings on 11th December 2012 and 25th April 2013. Feedback received, indicates that due to the balanced location of crematoria across the city, funeral directors feel that any operational changes will not have any detrimental impact on service provision and income.

4.1.2 There will be no long term impact on the public as a result of the decision which is the subject of this report. The public's interface with this service is through funeral directors therefore this is viewed as the most appropriate consultation forum.

4.1.3 Discussions have taken place with one ward member and all have been contacted via e-mail.

4.1.4 Finance officers have been consulted and confirm the financial provisions in this report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 As part of the proposals contained within this report an equality screening exercise has been undertaken and the associated form completed. The outcome was that a full equality impact assessment was not required for the approvals requested. The screening document is attached as appendix 1 to this report.

4.2.2 This is primarily a technical project , replacing two machines with technologically more advanced and efficient machines, which have the same function. As such there are no implications for equality issues.

4.3 Council policies and City Priorities

4.3.1 The work described in this report will contribute to the following strategic outcomes:-

- strategic outcome: Environment – reduced ecological footprint through responding to environmental and climate change and influencing others;

- strategic outcome: Environment – cleaner, greener and more attractive city through effective environmental management and changed behaviours.

4.4 Resources and value for money

4.4.1 In anticipation of the mercury abatement legislation requirements, the Council introduced an environmental surcharge in November 2008, which was set at £30 and now stands at £45.50 per cremation, to build up funding for the introduction of abatement equipment. It is proposed to use the current fund arrangement to finance the Prudential Borrowing costs over a 20 year period for each crematorium. Based on a 20 year timeframe, the environmental surcharge, index-linked at 2% per annum will generate a fund of £2.9 million to finance the mercury abatement works required across the City.

4.4.2 The works at Rawdon, subject to agreement of final account will cost £1.645m, leaving a balance of £1.255m to finance further abatement works. Recent estimates from two specialist suppliers indicate a contract cost of around £1.1m, NPS have provided a fee estimate of £90,000 for developing designs and managing the contract, and recommend an allowance of £16,000 for other direct costs. These costs will be detailed more fully in the DCR to come to Executive Board in early 2014.

4.4.3 The balance in the Mercury Abatement Reserve on 1st April 2013 was £485,493. If £1.3m is spent on capital works at Cottingley, following on from the £1.6m already incurred at Rawdon, then the annual prudential borrowing charges would total £240,000. In 2013/14 environmental surcharge receipts of £230,000 are anticipated, therefore there will be a need to draw down approximately £10,000 from the prudential borrowing reserve.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The 2010 Executive Board report stated that the Council was proposing to achieve the target of 2,600 cremations per annum through the installation of abatement equipment at Rawdon Crematorium through the generation of funds by Prudential Borrowing, utilising the environmental surcharge introduced in 2008 for this purpose. This would allow all of the city's statutory mercury abatement targets to be achieved on one site.

4.5.2 The report also noted that if for any reason there was a shortfall, the City Council would have the option to trade via the proposed CAMEO scheme, or with another mercury emissions trade partner.

4.5.3 Cremation statistics for 2012 are as follows:-

- Rawdon 1883
- Lawnswood 2021
- Cottingley 1436

Total cremations in 2012, within Leeds - 5340.
Total cremations in 2011, within Leeds - 5163.

4.5.4 Due to the issues around carrying out sufficient cremations at Rawdon to achieve the 2,600 Mercury abatement target, and under the provisions referred to at 4.5.2, the Council is currently in discussions to trade with Halifax and pay £35 per abated

cremation. This will require the Council to pay for 700-800 abated cremations annually based on current figures until abatement equipment is fitted at another site in Leeds.

4.6 Risk Management

4.6.1 The recommended design and build contract minimises the risk of complexities causing delays**.** The key risks and mitigating factors associated with the works are:

- Potential disruption in service provision during the installation of works. To keep this as low as possible, the preferred contractor will be asked to keep the crematorium operational on one cremator throughout the contract period. However, there may be times where this may not be possible, and the Bereavement Service will need to manage demand over short periods. In addition, the contractor may have to carry out work over weekend and out of hours periods in order to minimise disruption. For the avoidance of doubt, under these proposals all cremations will take place at the crematorium where the service is held, with no transportation between sites;
- Tender returns may exceed the available budget. To reduce this risk guide prices have been obtained from two specialist suppliers;
- In recognising these risks, the project will have a risk log which will be maintained and monitored during the lifetime of the project.

5 Conclusion

5.1 The cremators at Cottingley crematorium are failing and expensive to maintain. If the situation is not improved the DEFRA permit to cremate may be revoked in respect of one of the two cremators. Both cremators are due for replacement in 2016.

5.2 Whilst the new cremators at Rawdon have the capacity to achieve the statutory 50% mercury abatement for the authority, issues around locations and travel arrangements for funerals make this hard to achieve. The installation of cremators fitted with mercury abatement filters at Cottingley would provide balanced provision across the city.

5.3 Developments in the technology mean that mercury abating cremators can now be fitted at Cottingley without major building modifications.

6 Recommendations

6.1 Executive Board is recommended to:-

i) note and approve the works planned for Cottingley Crematorium

ii) note the expenditure of up to £90,000 on fees for the design and development of the specification for Cottingley and management of the subsequent design and build contract. To be funded from the £2.9m injected into the capital scheme in August 2010 and paid for from prudential borrowing and a continuing surcharge on cremations

iii) request that a Design and Cost Report is brought back to Executive Board once a more detailed cost estimate for the Cottingley works has been developed

7 Background documents[1]

7.1 None.

[1] The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.