

**Report of :** Director of Environment and Housing

**Report to :** Executive Board

**Date:** 22<sup>nd</sup> January 2014

**Subject:** Design and Cost Report for - Mercury Abatement - Cottingley Crematorium. Scheme 16194 / COT / 000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Beeston and Holbeck	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	<b>10.4 (3)</b>	
Appendix number:	<b>1</b>	

### Summary of main issues

1. The work described in this report contributes to the Best Council Plan 2013 -2017, in particular the best council outcomes of improving the quality of life for our residents, and achieving savings and efficiencies. Specifically the project achieves a reduction in polluting mercury emissions, and a reduced use of fuel through more efficient machinery. The project also meets the objective of becoming an efficient and enterprising council by reducing revenue costs and improving value for money.
2. On the 25<sup>th</sup> August 2010, Executive Board approved an injection 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. Details of the funding injection are contained in Appendix 1.
3. On 22<sup>nd</sup> June 2011 Executive Board approved mercury abatement works at Rawdon Crematorium. The works at Rawdon were completed in August 2012. The balance of the approved funding not required for works at Rawdon and already injected into the capital programme, is available for further abatement works at Cottingley crematorium.

4. On 19<sup>th</sup> June 2013 Executive Board;
  - i) noted and approved the works planned for Cottingley Crematorium
  - ii) requested that a Design and Cost Report be brought back to Executive Board once a more detailed cost estimate for the Cottingley works had been developed
  
5. Specifications and cost estimates have been progressed to a stage sufficient to allow the scheme to go to tender. As tenders are about to be returned the financial details are contained in Confidential Appendix 1 accompanying this report. As previously approved the works will be procured through a Design and Build contract and tender documents have been issued to allow designs to be completed and work to commence.

## **Recommendations**

6. Executive Board is recommended to:-
    - i) Authorise expenditure up to the limit detailed in confidential Appendix 1 accompanying this report, to replace the cremators at Cottingley Crematorium with equipment capable of abating mercury emissions
    - ii) Approve the award of a design and build contract subject to the preferred tender return being within the budget detailed in Confidential Appendix 1.
    - iii) Approve an injection of £425,000 into Capital scheme 16194 to cover the costs identified in confidential appendix 1 accompanying this report.
    - iv) Note the steps required to implement the decision as detailed in paragraph 3.2 of this report. Note that the Chief Officer Parks and Countryside, will be responsible for implementing the decision. Note the proposed timescales in paragraph 3.2 of this report.
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## **1 Purpose of this report**

1.1 The purpose of the report is to:-

- i) Advise members of the progress of the specification development and cost estimates in relation to Cottingley Crematorium, and seek members approval to spend up to the limit detailed in Confidential Appendix 1 accompanying this report.
- ii) Seek Members approval to let the contract following the conclusion of a design and build procurement process, subject to the preferred tender return being within the approved budget as detailed in confidential appendix 1 accompanying this report.
- iii) Seek Members approval of an injection of £425k into capital scheme 16194 to cover the costs identified in confidential appendix 1 accompanying this report.

## **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 four cemeteries and twenty five closed churchyards. It is the fifth largest burial authority in the country, dealing with approximately 5,400 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 31<sup>st</sup> 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 2,700 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, and toilets;
  - 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 current programme appears below.

- Executive Board Approval for expenditure on the design and development of the specification for Cottingley crematorium to tender stage, 19<sup>th</sup> June 2013;
- Development of output specifications and sketch design development, July – October 2013;
- Development of specifications and costs to a stage sufficient to allow the issue of tender documents, October 2013 – Dec 2013
- DCR to Executive board, Jan 2014;
- Tendering process, December 2013 – February 2014;
- Preferred contractor identified, February 2014;
- Contract award, March 2014;
- Successful contractor undertakes detailed design, March – May 2014;
- Start on site, March 2014;
- Complete, November 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 11<sup>th</sup> December 2012 and 25<sup>th</sup> 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 The Chief Planning Officer has advised that the majority of these works will not require planning permission, apart from possibly the entrance modifications. This to be discussed with the Chief Planning Officer when designs are available.
- 4.1.3 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.
- 4.1.4 Discussions have taken place with one ward member and all have been contacted via e-mail.
- 4.1.5 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 2 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.
  - In accordance with Contract Procedure Rule 3.1.7 the procurement is utilising a specialist framework (Pro 5) of contractors approved for carrying out works of this nature.

### **4.4 Resources and value for money**

- 4.4.1 Please see Confidential Appendix 1 which accompanies this report for detailed financial information.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Appendix 1 of this report is Exempt under Access to Information Rule 10.4 (3) as it contains information relating to the financial or business affairs of any person or company (including the authority holding that information) which may result in prejudicial trading of that company. It is considered it is not in the public interest to release this information as this would compromise the Council's position.
- 4.5.2 This is the final phase of Mercury Abatement works and will see the Council fully compliant with statutory requirements relating to mercury abatement without the need to engage in emissions trading with other authorities.

### **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. The contractor will carry out work over weekends 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 and cost estimates have been developed to RIBA Stage D;
- In recognising these risks, the project has a risk register 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 will 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) Authorise expenditure up to the limit detailed in confidential Appendix 1 accompanying this report, to replace the cremators at Cottingley Crematorium with equipment capable of abating mercury emissions
  - ii) Approve the award of a design and build contract subject to the preferred tender return being within the budget detailed in Confidential Appendix 1.
  - iii) Approve an injection of £425,000 into Capital scheme 16194 / COT / 000 to cover the costs identified in confidential appendix 1 accompanying this report.
  - iv) Note the steps required to implement the decision as detailed in paragraph 3.2 of this report. Note that the Chief Officer Parks and Countryside, will be responsible for implementing the decision. Note the proposed timescales in paragraph 3.2 of this report.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> 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.