

North Tyneside Council

Report to Council

Date: 23 January 2014

ITEM 6

Title: Upgrade and refurbishment of Tynemouth Crematorium, Preston Cemetery

Portfolio(s): Housing and Environment

Cabinet Member(s):

Councillor John Harrison

Report from: Environment and Leisure

Report Author: Phil Scott, (Tel: 0191 634 7295)
Head of Environment and Leisure

Wards affected: All

PART 1

1.1 Purpose:

As a result of legislative changes and existing facilities reaching the end of their operational life, this report seeks Council's approval for unsupported borrowing of up to £2.772m to support the upgrade and refurbishment of Tynemouth Crematorium, which includes the provision of replacement cremators.

1.2 Recommendation(s):

It is recommended that Council approve the upgrade and refurbishment of facilities and provision of new cremators at Tynemouth Crematorium to a maximum cost of £2.927m, and the associated unsupported borrowing of up to £ £2.772m.

1.3 Forward plan:

This report has been listed on the Forward Plan for the Council meeting on 23rd January 2014.

1.4 Council plan and policy framework

Cabinet agreed to seek Council approval at its meeting on 9th December 2013.

This report is relevant to 'Our Places' theme included in the Our North Tyneside Plan 2014-18.

1.5 Information:

1.5.1 Background

Currently, there are two crematoria in the Borough (Whitley Bay Crematorium and Tynemouth Crematorium) which are operated by the Authority.

In 2012/13, Tynemouth Crematorium carried out 1084 cremations and Whitley Bay carried out 946 cremations. 30% of cremations carried out were in respect of non residents of the Borough.

The cremators at Tynemouth Crematorium were installed in 1998 and are approaching the end of their effective and economic life. Cabinet approved the commissioning of the design for the refurbishment of the crematorium at its meeting on 8th July 2013.

The Authority is required to meet the target of a 50% reduction in the amount of mercury emitted into the atmosphere from crematoria by January 2013, that reduction has been set by the Department for Environment, Food and Rural Affairs (DEFRA).

Authorities were therefore expected to abate, burden share or cease carrying out cremations by 2013.

Currently, neither Tynemouth Crematorium or Whitley Bay Crematorium is fitted with the necessary mercury abatement equipment to enable the Authority to comply with this legislation.

Pending a permanent mercury abatement solution, Cabinet agreed on 10th January 2011, that the Authority would enter into a burden sharing arrangement with Newcastle City Council, (who are abating their mercury emissions at 100%), for 2 years from 1st January 2013, with an option to extend for a further year. This arrangement comes to an end in December 2015. There may be an option to extend the agreement beyond this date: however this may only be short term, and the possibility of the Government introducing a further target of up to 100% reduction in emissions in 2020 cannot be ruled out.

Should the 100% target be introduced in 2020, then each crematorium must be mercury abatement compliant or cease carrying out cremations.

1.5.2 Design and Procurement

At its meeting of 8 July 2013, Cabinet agreed there would be a phased approach to the Bereavement offer. The first phase will consist of an upgrade of Tynemouth Crematorium, to include the replacement of the two cremators, together with the following improvement works to the building that will substantially improve the available facilities:-

- The extension of the chapel to increase the seating capacity from 58 to 88
- The provision of new public toilet facilities
- The creation of an enclosed entrance lobby and new waiting area
- The creation of a new room for floral displays and the Book of Remembrance.

The Authority will be able to maintain a cremation service at Whitley Bay Crematorium during the period of time that Tynemouth Crematorium is closed for refurbishment. Funeral Directors will liaise direct with families so they are aware of the alternative options available in respect of the cremation service.

This will be a major building project and due to the long lead in time required to deliver this project and the pressing need to replace the cremators at Tynemouth, Cabinet approved the design work and survey fees associated at an estimated cost of £0.155m at the 8 July 2013 Cabinet. Original estimates were that £2.927m would be required to refurbish Tynemouth and replace 2 cremators. This estimate was provided using a single supplier quotation for the cremation equipment.

The works, which the subject of this programme fall within the scope of the agreement between the Authority and Kier North Tyneside (KNT), and KNT will act as lead contractor for the works and sub contract specialist elements of the works as necessary. Competitive quotations have been obtained for the cremation equipment and the pricing of KNT is monitored to ensure that it reflects Best Value for the Authority.

This competitive price review for the specialist equipment has resulted in a saving of circa £250k on the original estimate for the works. This saving has allowed the scope of the scheme to be widened to include added value in regard to a heat recovery system which will deliver significant energy cost savings on the site. The scheme will still be delivered in line with original £2.927m budget.

Following completion of the design works, Cabinet agreed that a further report should be brought back to Cabinet and Council, as appropriate for a decision to proceed with the upgrade and refurbishment project.

A further report was taken to Cabinet on 9th December 2013, where the refurbishment and upgrade works for Tynemouth Crematorium was agreed.

1.5.3 Project Timetable

The critical date in the project programme is the end of January 2014, at which point all approvals will need to be in place and orders raised to ensure that the crematorium is operational in advance of the winter 2014, when demand is at its highest.

Following completion of Tynemouth Crematorium upgrade, improvement plans for Whitley Bay Crematorium will be considered. In the interim, some refurbishment and internal redecoration has taken place at Whitley Bay Crematorium, including repairs to cremators, a full repaint, refurbishment of pews and installation of new carpets.

1.6 **Decision options:**

The following decision options are available for consideration by Council

Option 1

To progress with the upgrade and refurbishment of Tynemouth Crematorium including the replacement of the two cremators, installation of mercury abatement equipment and space for a refrigeration unit. This is an essential step towards ensuring compliance and continued service delivery within the affordability envelope of £2.927m.

Option 2

To continue to run both Tynemouth and Whitley Bay Crematoria with no improvements to either facility (including the replacement of existing cremators), and defer a decision until a later date. However this option increases the risk to the cremation service.

Cremators are coming to the end of their useful life at both facilities, therefore in the event that they cease working, the Authority will no longer be in a position to provide a cremation service.

The other risk is that should the 100% mercury abatement target be introduced, then neither facility will be compliant with the relevant legislation and will therefore need to cease carrying out cremations.

1.7 Reasons for recommended option:

Option 1 is considered the best option to ensure that the Authority continues to provide a cremation service within the Borough and to provide an improved fit for purpose facility at Tynemouth Crematorium. This also ensures compliance with DEFRA's mercury abatement target of reducing 50% emissions from cremation operations.

1.8 Appendices:

None.

1.9 Contact officers:

Phil Scott, Head of Environmental Service. Tel no: 0191 6437295
Sam Dand, Senior Manager, Street Environment. Tel no: 0191 6437294
Alison Campbell, Finance Business Manager. Tel no: 0191 6437038
Ian Lillie, Client Manager, Asset. Tel no: 0191 6436143

1.10 Background information:

The following background papers/information has been used in the compilation of this report and is available at the office of the author:

- Pollution Prevention and Control Act 1999
- Pollution Prevention and Control Regulations 2000
- Environmental Permitting (England & Wales) Regulations 2010
- Process Guidance Note PG5/2(04)
- Additional Guidance Note AQ1(05)
- Cabinet report 8 July 2013
- Cabinet report 9 December 2013

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The current estimated cost for the refurbishment of Tynemouth Crematorium, including the replacement of the 2 cremators, is £2.927m; £0.155m for design works in 2013/14 and £2.772m for the works themselves in 2014/15. The borrowing associated with this project needs to be approved by full Council as the scheme was not included within the capital plan within the budget approved by Council in March 2013. The £2.772m works element of the scheme is now included in the draft 2014-18 Investment Plan but, in order to meet the required timescale for completion of the project, orders need to be placed and budgets committed prior to the setting of the 2014/15 budget.

At 8th July 2014 Cabinet, approval was given for £0.155m of the £2.927m to enable Kier North Tyneside to proceed with the detailed design work in 2013/14. This would ensure the refurbished crematorium could be reopened ready for winter 2014, when demand is at its highest. Cabinet agreed that the £0.155m of design costs in 2013/14 could be financed through bereavement income above budget in year but, if the project is approved, Cabinet could also approve that these costs could alternatively be financed through capital contingencies.

It is proposed that the costs of borrowing will be funded through the Bereavement Service budget. The Service has a budget to generate £0.300m of net controllable income every year. In 2012/13 the service overachieved by £0.273m against budget. The annual cost of the minimum revenue provision (MRP) and interest costs associated with the investment are estimated to be no more than £0.269m. Therefore, the additional income from this service and an element of future price increases will fund the additional costs of borrowing associated with this investment. Cabinet draft revenue budget proposals for 2014-2018 have been prepared on this basis.

2.2 Legal

The Authority, as the Cremation Authority, is required in accordance with the Cremation Acts of 1902 and 1952 and the Cremation (England and Wales) Regulations 2008 to ensure that crematoria are maintained in good working order.

A crematorium may be closed by a Cremation Authority, even temporarily for refurbishment, where the Cremation Authority has given not less than one month's notice by an advertisement in a local newspaper and by a written notice fixed at the entrance to the crematorium where it can be easily read. The Cremation Authority must give one month's notice in writing to the Secretary of State for the closing or opening of a crematorium.

As the relevant works fall within the scope of the agreement between the Authority and KNT no separate procurement exercise will be required, and KNT will subcontract specialist requirements as required and permitted by its Agreement with the Authority.

The KNT Agreement requires that KNT reflects best value in its pricing, and this will be monitored by the Authority.

2.3 Consultation/community engagement

2.3.1 Internal consultation

- Internal consultation has been carried out with the Authority's Elected Mayor and Lead Cabinet Member for Housing and Environment.
- Internal consultation has also been carried out with the Change, Efficiency and Improvement Theme 'C' board.

2.3.2 External consultation

- Officers from Environment and Leisure first consulted with Funeral Directors on the Crematoria Review on 19th January 2011. The view from those who attended the consultation event was that Tynemouth Crematorium was no longer fit for purpose in terms of the size and condition of the facilities, and that an upgrade and refurbishment should be a priority.
- Views were also sought from Funeral Directors and Clergy as part of a customer satisfaction survey carried out on 18th May 2012.

- Officers from Environment and Leisure consulted with Funeral Directors and Clergy as part of Engagement week in October 2012.
- The Authority receives regular feedback from our customers, which is positive in relation to the services provided; however there is a general view that the condition of the facilities at Tynemouth Crematorium are no longer fit for purpose. Particularly in terms of handling cremations with a large attendance.
- Officers from Environment and Leisure attended a Community Conversation in Preston Ward on 2nd December 2013, to consult on plans for Tynemouth Crematorium.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

There are no equality and diversity implications arising from this report.

2.6 Risk management

Any risk management issues are included within the Authority's risk register and managed by this process.

2.7 Crime and disorder

There are no crime and disorder implications arising from this report.

2.8 Environment and sustainability

New cremators are likely to result in a reduction in gas consumption; however electricity is likely to increase due to the advanced technology associated with operating the new cremators and mercury abatement equipment. Overall, carbon dioxide emissions from the operation of Tynemouth Crematorium are expected to decrease and will be monitored through the Council's carbon budget reporting process.

Officers are also exploring a number of energy saving and energy generation ideas, including the introduction of a heat recovery system as part of the project which would be delivered to the crematorium, chapel, toilets and office buildings on the site.

The refurbishment of Tynemouth Crematorium will ensure that all current building regulation standards are met.

PART 3 - SIGN OFF

- Chief Executive X
- Deputy Chief Executive X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager Policy, Partnerships, Performance and Communication X