

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO CABINET**

**Cabinet**  
**04 November 2020**

**Report Title:** Proposed Refurbishment of the Cremators

**Submitted by:** Head of Operations

**Portfolio:** Environment and Recycling

**Ward(s) affected:** All wards

**Purpose of the Report**

To inform members of proposed options and funding strategies for the refurbishment of the cremators at Newcastle Crematorium. The urgent refurbishment of the cremators is essential for the continued operation of the Crematorium.

**Recommendation**

1. That Cabinet support the planned improvements at Bradwell Crematorium.
2. That the preferred option is approved and an exception to Council Contract Procedure Rules is agreed to enable a direct award of contract without a call for competition for the refurbishment of the Council's two cremators by the manufacturer and incumbent service provider as set out in the report.

**Reasons**

To ensure that the cremators continue operating at optimum levels for the duration of their anticipated remaining working lifespan, and in particular for the forthcoming winter period which may result in a second wave of the coronavirus pandemic.

1. **Background**

- 1.1 The two cremators at Newcastle Crematorium were last replaced in 2009/10 and were relined in September 2014. It was anticipated that full replacement would be required in 2021 and provision had been made in the capital programme, along with annual payments into the Equipment Replacement Fund to cover this cost.
- 1.2 However, due to diligent regular servicing and repair of the cremators since their installation, a recent condition survey concluded that their remaining useful working life expectancy is approximately a further 10 years, subject to continued regular maintenance.
- 1.3 Part of the maintenance requirements for the cremators is the need to reline and re-hearth the machines. The relining is usually required every 4 – 5 years and the re-hearth operation is usually required every 2 - 3 years, if using the traditional thermal brick lining, which is the current system in use within both cremators. One of the cremators is now in urgent need of a reline and new hearth, with an estimated remaining use of 200 cremations (January 2021) before the hearth degenerates to a point where it can no longer be operated correctly and safely.

## 2. **Issues**

- 2.1 Facultative Technologies, the specialist company who supplied and maintain the machines have recently reviewed the cremators and have estimated that they have an approximate 10 year period of use before they need to be replaced completely. They have also provided options and prices for relining and replacing the hearth for one of the cremators in the same traditional thermal brick materials as currently installed, as well as for a newer industry standard block system for both cremators which has a longer life expectancy between relining and installing new hearths. With the new block system, relining is estimated to be required every 8-10 years or 8,000 – 10,000 cremations and a new hearth would be required every 4 – 5 years or 4,000 – 5,000 cremations. Based on our current levels of use the 10,000 cremations would cover approximately 12 ½ years, before a reline may be required.
- 2.2 The time required to complete the relining works for either option is three weeks, and both cremators would have to be shut down completely for the duration of the work. Therefore it makes financial and operational sense to reline and hearth both cremators during a shutdown period to avoid a further shutdown at a later, not too distant date. Due to the current pandemic and the potential for increased pressure on the cremators if a second wave results in increased mortality rates, it is considered critical that the work to the cremators is programmed as soon as possible.
- 2.3 Discussions are in progress with Facultative Technologies regarding timescales for the works. The initial proposed timescale is January 2021. It is recognised that this could potentially mean a 3 week shutdown at a critically busy time and the company have been asked if this timescale could be brought forward. They have also been asked if there is any feasible short term repair option for the hearth which would extend the safe working life beyond the 2020/21 winter period, although initial discussions do not appear to be optimistic, as any repair would require a full shutdown. Should a shutdown have to take place at a critically busy time, contingency arrangements can be made via the Staffordshire Resilience Forum network for cremations to take place at other crematoria. Services could still be held in the chapel at Bradwell and administration work would continue as usual. There would be an impact on income received during the shutdown which is detailed later in this report.

## 3. **Proposal**

- 3.1 It is proposed to implement the relining and new hearth work to both cremators as soon as reasonably possible as per option 3 in the table below, using the new block system which achieves greater value for money over the estimated 10 year remaining useful working life expectancy of the machines.
- 3.2 It is also proposed to enter into a maintenance and repair contract with the equipment's manufacturer as set out in section 8 below.

## 4. **Reasons for Proposed Solution**

- 4.1 To ensure that the cremators continue operating at optimum levels for the duration of their anticipated remaining working lifespan, and in particular for the forthcoming winter period which may result in a second wave of the coronavirus pandemic.

## 5. **Options Considered**

- 5.1 To reline the cremators using the new block system and option three of the payment options, which is the most cost effective over the remaining lifespans of the cremators.

5.2 To reline the cremators as a like for like replacement materials, which will need replacing more frequently, and will require more shutdown periods, over the remaining lifespan of the cremators.

## 6. Legal and Statutory Implications

6.1 The Council is a Burial Authority with a statutory duty to ensure the safe and proper disposal of the deceased.

## 7. Equality Impact Assessment

7.1 There is a positive equality impact resulting from these proposals, in that the proposed options enable us to continue to operate the crematorium.

## 8. Financial and Resource Implications

8.1 The total estimated cost of the proposed options for the project is detailed below:

Task	Initial Cost	Total Cost
Replacement traditional thermal brick liner and hearth to 2 x cremators	£85k initial cost	£226k (over 10 years including estimated costs for hearth replacement at 4 – 5 years)
New Block Liner System to 2 x cremators- Option 1 (purchase and no maintenance agreement)	£126,000 initial cost	£126,000 (plus any hearth replacement costs at 4 – 5 years)
New Block Liner System to 2 x cremators – Option 2 (purchase and 10 year maintenance agreement)	£83,884 initial cost + £10,433 per year maintenance	£188,214 (10 years)
New Block Liner System to 2 x cremators– Option 3 (annual payment for 10 years, including reline and any hearths that may be required during the period)	£16,320 per year for 10 years	£163,200 (10 years)

8.2 £66,000 is contributed to the Crematorium Equipment Replacement Fund each year, it's current balance is £375,000. The annual charge of £16,320 can be met from this balance, whilst the £66,000 contribution will enable the fund to be built up in advance of a full replacement of the Cremators being required in the long term.

8.3 It is anticipated that the reline of both cremators could take place in January 2021, this will require a 3 week shut down of the cremators and a loss of income for this period of circa £77,000. This will need to be accounted for as part of outturn forecasts for 2020/21.

8.4 Facultatieve Technologies is a specialist company who supplied the cremators and who have maintained and serviced them since their installation in 2009/10. Although the new block liner system could be provided and installed by other similar companies, Facultatieve

Technologies could not guarantee it if provided by others, and there is a risk that any future repair or maintenance issues with the liners could adversely affect the speed at which issues could be resolved. The prices provided by Facultatieve Technologies for the relining are considered to be fair and represent value for money and it is therefore proposed to waive standing orders to allow a direct award of this work, which is also of an urgent nature due to the pandemic circumstances which prevail.

9. **Major Risks**

- 9.1 Failure to reline the cremators will lead to them being inoperable, in a fairly short period of time.
- 9.2 Delaying the works due to tender procedures could cause the cremators to be inoperable for a period of time.
- 9.3 Using an alternative provider could cause further issues in the long term for the cremators.

10. **Sustainability and Climate Change Implications**

10.1 None

11. **Key Decision Information**

- 11.1 This decision will affect all wards of the Borough and the financial implications are outlined in the report.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None