

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO CABINET

8th July 2025

Report Title: Pet Cremation Outline Business Case

Submitted by: Service Director – Commercial Services

Portfolios: Finance, Town Centres and Growth; Sustainable Environment

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>This report sets out proposals for establishing a pet crematorium in order to provide a local service for pet owners. Following a review of provision in the Borough, as part of the broader bereavement offer which the Council has developed, it has been established that there is a gap in this market due to a current lack of options both within and surrounding our Borough. This provision will also create a further income stream for the Council as set out in the Commercial Strategy to relieve pressure upon the Medium Term Financial Strategy.</p>			
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <ul style="list-style-type: none"> • Approves the business case for option three (one cremator with chamber) to expand Newcastle-under-Lyme Borough Council's commercial portfolio to include the provision of pet cremations at Bradwell Crematorium. • Notes the expanded and award-winning service already offered by the Council and continues the personalised approach. • Approves that the Deputy Chief Executive in consultation with the Portfolio Holder for Sustainable Environment progresses with all necessary planning and regulatory applications. • Receives a further report on the final business proposals to ensure the procurement of the service meets all regulatory requirements and service expectations. • Authorises the virement of funding within the capital programme. 			
<p><u>Reasons</u></p> <p>Research by Statistica.com and Savills shows that there is a growing market for pet cremation provision both nationally and locally given that there are only a small number of providers offering a dignified animal disposal service. Existing providers are all based outside the Borough, thus leaving a gap in the provision available to our communities.</p> <p>The detail of the business case is included in the confidential report.</p>			

1. Background

- 1.1 The Council operates a range of Bereavement services across the Borough both for burials and cremations at Bradwell. Services can be given at the main Chapel in Bradwell and at Keele Cemetery. The Council works with a range of Funeral Directors to seek to enable families and friends to have the service they wish. This includes choice over service lengths, use of multimedia tributes, attended or non-attended committal, ashes can be taken away by the family or there is a choice of burial options from the monthly gardens, dedicated plots or woodland tree option. More recently the Council has extended the memorial options from the benches and plaques to an sculptural memorial tree whereby a 'leaf' is dedicated to the deceased.
- 1.2 The Council receives compliments from families for the ability to appropriately mourn and celebrate their loved one. It is therefore appropriate that the Council considers supporting residents who have lost their much-loved pet.
- 1.3 The proposal is to install a local facility to cremate pets for both our residents and those in the surrounding areas. It is strongly believed that this will become a net income generator for the council, providing additional funds for the authority to support wider service delivery for our residents, as set out in the Corporate Plan.
- 1.4 In the UK, the pet care market is worth £7.9bn (Statistica.com research) and increasing annually; the pet-funeral industry alone is now worth in excess of £100 million (2018 Savills report) a year and is growing quickly as animal lovers go to ever greater lengths to celebrate the life of their beloved pets. The industry, despite its size, is not dominated by any particular operator.
- 1.5 Analysis in to pet ownership both nationally and locally has been undertaken by the Research Officer within the Strategy, Policy & Performance team utilising a series of data sources (YouGov, Cats Protection League and Kantar (on behalf of Pet Food UK)). It is projected that there are currently around 26 million cats & dogs in the UK, comprising of 13.5 million dogs and 12.5 million cats. Additionally, there are estimated to be 9 million small animals nationally (such as rabbits, guinea pigs, hamsters and snakes).
- 1.6 Research by ClaimScore Pet Insurance estimated that approximately 1.5 million pet dogs and cats die each year in the UK, it is thought that at least half of animal owners hold funerals for their deceased pets.
- 1.7 Perfect Choice (funeral plans) conducted a poll in the UK which set out to discover whether the UK truly is a nation of animal lovers. They surveyed 1,608 British adults over the age of 18 that had had a pet pass away within the last year to find out whether they had held a funeral for their pet and what they had spent on them. 51% of respondents said yes, they had held some sort of funeral or memorial for their pet; this is the target market for the proposed service here in Newcastle.
- 1.8 The pets most likely to have a funeral held for them were dogs; with cats second and third being rabbits.
- 1.9 The research by Perfect Choice revealed that to many people the loss of a pet can be just as distressing as losing a family member and many were prepared to buy a cremation and memorialisation service in order to ensure that their pets were honoured in a dignified manner. As the pet funeral market grows this income stream is becoming more important year on year for both pet owners and service providers alike.

2. **Issues**

- 2.1 The following issues are linked with undertaking this proposed course of action:

Issue	Mitigation
The cremation of pets is not an established service area that the Council has prior knowledge and skills of.	The project team has researched this area in depth and spoken to several other councils who have been very helpful in sharing their learning and data. The core skills, such as empathy to deal with grieving residents and crematory operation, are interchangeable with our core bereavement services.
Lack of resident awareness of cremation options other than via vets.	The marketing of the service to distinguish our proposed offer is considered key and a healthy budget has been factored in to the set up costs. Learning from other councils identified that visible signage at popular dog walking locations proved highly effective – this is planned for the parks owned by the Council
The activity by its very nature will increase the Council's carbon emissions	The proposal is to operate the cremators on Hydrotreated Vegetable Oil (HVO) which is a renewable and biodegradable diesel alternative made from vegetable oils, which will keep our carbon footprint to a minimum. The project team have had early engagement with our Sustainability Officer and will be actively exploring sustainability measures including photovoltaic solar panels and heat pump technology to offset.
Stoke on Trent City Council has received cabinet approval for a Pet Cemetery	SOTCC's proposal is to allow owners to bury cremated remains in a designated area, it is not proposing to perform cremations at this stage.

- 2.2 Taking into account the likely competition in this sector it is important that the Council is able to promptly develop the service and that officers are authorised to commence the relevant applications to ensure that the service could be operated from the Bradwell site, this includes engaging with an experienced architect firm to seek planning permission.
- 2.3 In order to establish the actual costs of establishing the service officers will also be required to commence market engagement and relevant procurement to ensure that the physical aspects of the service can be delivered and if any elements of the business case need to be adjusted.

3. **Recommendation**

3.1 That Cabinet:

- 3.1.1 Approves the business case for option three (one cremator with chamber) to expand Newcastle-under-Lyme Borough Council's commercial portfolio to include the provision of pet cremations at Bradwell Crematorium.
- 3.1.2 Notes the expanded and award-winning service already offered by the Council and continues the personalised approach.
- 3.1.3 Approves that the Deputy Chief Executive in consultation with the Portfolio Holder for Sustainable Environment progresses with all necessary planning and regulatory applications.
- 3.1.4 Receives a further report on the final business proposals to ensure the procurement of the service meets all regulatory requirements and service expectations.
- 3.1.5 Authorises the virement of funding within the capital programme.

4. **Reasons**

- 4.1 It is recommended that Option 3 be approved as outlined in the confidential report to ensure the best financial benefits.

5. Options Considered

5.1 Option One – 2 pet cremators

Two units offer the greatest level of scalability & business scalability for this opportunity however also comes with the highest set-up costs.

5.2 Option Two – 1 pet cremator, with option to retro fit a second cremator

One unit installed in a container large enough to accommodate a secondary unit as/when demand dictates.

5.3 Option Three – 1 pet cremator with secondary chamber

One unit with the secondary chamber affords similar flexibility to Option One but without the full cost of an additional unit. The unit is able to operate independently of the main unit however it is more efficient when they are used in conjunction both in terms of turnaround time and fuel usage

5.4 Option Four – To do nothing

Given the level of ambition set out in the Council's agreed Commercial Strategy and the future challenges set out in the MTFS, not pursuing this business opportunity does not feel like a course of action that we can recommend, especially when evaluated against the projected return on investment.

6. Legal and Statutory Implications

- 6.1 Whilst the cremation of animals is not under the same level of regulation as the cremation of human remains, there is the requirement to register with DEFRA. The registration cost has been factored into the projected investment costs and support in completion has been sought from the cremator manufacturer.

7. Equality Impact Assessment

- 7.1 The corporate EIA template has been completed, and it is believed that this business case does not affect one or more groups less or more favourably than another.

8. Financial and Resource Implications

- 8.1 The financial implications are all listed in the confidential report.

9. Major Risks & Mitigation

Risk	Mitigation
Slow take up of service upon launch	A marketing budget has been factored into the costs and the business case forecast is expected to be deliverable.
Build costs exceeding modelled budget	The purchase and installation costs are based on market engagement but until procurement takes place the final costs will not be known.

Failure to secure licences	The Council will need to secure licenses from DEFRA APHA and Waste Transfer Licence, whilst there are no major concerns about these processes there is a minor risk that these would not be approved.
Public concern re: contamination of human remains	A key USP of this proposal is the guaranteed return of pet ashes in a dedicated pet cremator – allaying this fear will be central to the marketing strategy.

10. UN Sustainable Development Goals (UNSDG)



11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

This report outlines the proposal to develop a new service in line with the objectives of the One Commercial Council.

One Digital Council ☒

The Council will seek to offer digital bookings and payments.

One Green Council ☒

The Council is seeking to operate the cremators on Hydrotreated Vegetable Oil (HVO) which is a renewable and biodegradable diesel alternative made from vegetable oils, which will keep our carbon footprint to a minimum.

12. Key Decision Information

12.1 This is a key decision as it requires the investment of resources for new service delivery.

13. Earlier Cabinet/Committee Resolutions

13.1 N/A

14. List of Appendices

14.1 N/A

15. Background Papers

15.1 None