
REPORT TO: Cabinet

DATE: 19 October 2005

REPORTING OFFICER: Head of Parks & Open Spaces
(*P. Andrew, Bereavement Services Manager*)

SUBJECT: **Executive Summary**
Mercury Abatement - Crematorium

WARD(s) AFFECTED None

FORWARD PLAN REF: 05/05/LS18

1.0 PURPOSE OF THE REPORT

- 1.1 To outline the Government's new Guidance and Timetable to deal with toxic mercury released from crematoria.
- 1.2 To set out the options to achieve the 50% reduction in the emissions of mercury at Stonefall crematorium by the deadlines set out by the Government.
- 1.3 To agree the best approach and timetable for the abatement in terms of finance and the preferred option.
- 1.4 To consider the option for full replacement of the existing cremators at the same time of installing the new abatement equipment, or to leave this until a later date.
- 1.5 The Director of Resources and Director of Development Services have been consulted on this report.
- 1.6 The Corporate Management Team considered this report on 22 September 2005 and approved the recommendations subject to further information to be provided on the VAT item in relation to this project.
- 1.7 The Leader of the Council, Cabinet Member for Resources, the Chief Executive, Director of Resources and Director of Community Services considered the amended report on 5 October 2005 and asked that the funding strategy be adjusted to recover the full costs of the capital outlay for this project. The Cabinet Member with the portfolio for Cultural Services has since been briefed on the report.

2.0 RECOMMENDATIONS

- 2.1 That the installation of the filtration equipment to both cremators is agreed.
- 2.2 Further consideration is given on the implementation details for this project already available in the light of the potential tax loss.
- 2.3 That, subject to 2.2, the timescale for upgrading commences at the earliest in 2006 and no later than 2009.
- 2.4 That the funding strategy project is agreed, with a review at the end of the 3 year period.
- 2.5 Not to replace the existing cremators at the same time as the upgrade.

3.0 RECOMMENDED REASON FOR DECISION

- 3.1 To comply with the Government's new statutory guidance that 50% of all mercury emissions from cremations at existing crematoria be abated by 31 December 2012, it is recommended that abatement equipment is installed to both cremators.
- 3.2 Legal advice states that the upgrading of the facilities is the safest way forward to improve Harrogate's own cremation facilities for the benefit of the Harrogate Borough.
- 3.3 In achieving 100% abatement, if and when future legislation is introduced requiring the complete cessation of mercury emissions there will be no requirement to undertake further works or expenditure.
- 3.4 Harrogate Borough Council may be in a strong position to 'sell' abated cremations to other authorities that are unable to upgrade, during the initial 50% reduction requirement of 2012 if this matter is resolved. This could provide additional income.
- 3.5 To replace the existing cremators earlier is likely to be unnecessary due to their usage. It could be that they have 10 years or more further use. To replace at this stage could result in considerable unnecessary expenditure.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 To do nothing. This is recommended for rejection as it is a legal requirement to make a decision by 31 December 2005 as to how a 50% reduction of mercury emissions will be achieved. To do nothing will mean that HBC will be in breach of its permit to operate.
- 4.2 To introduce a 'burden-sharing' scheme with other local authorities rather than upgrade. This is recommended for rejection, as the legality for this option is still in question. It will not benefit the occupants of Harrogate either in terms of promoting environmental quality.

- 4.3 To only upgrade one cremator. This is recommended for rejection as there are major financial savings to upgrade two cremators and should it be legislated after 2012 that total cessation of mercury is required, further costly works will be necessitated.
- 4.4 To leave the upgrade until 2012. This is recommended for rejection as the manufacturers are limited and a surge of demand by cremation authorities to install this equipment to meet the deadline could cause delays if left to the last year and could result in Harrogate breaching the legislation.
- 4.5 To replace the two existing cremators at the time of installing the equipment. This is recommended for rejection as it could be they have 10 years or more further use and could result in substantial unnecessary expenditure.

5.0 SUMMARY OF MAIN REPORT

- 5.1 In January 2005, new statutory Process Notes PG5/2(04) were circulated to all crematoria with additional Guidance Notes on mercury abatement. These clearly state that measures have to be found to cut by half the amount of toxic mercury which crematoria release into the atmosphere.
- 5.2 Mercury emission from crematoria primarily comes from amalgam in dental fillings and extensive consultation revealed that the removal of teeth prior to cremation was not acceptable.
- 5.3 Over the last 5 years, mercury emission from crematoria has been under investigation by the Department for Environment Food and Rural Affairs (DEFRA) and assessed under the Environment Agency's Local Authority Unit (LAU). There has also been much consultation. It has now been assessed that about 16% of mercury emissions in the U.K. is from crematoria. Mercury, which accumulates in the air and in the water, can harm the brain, kidneys, nervous system and unborn children. It is estimated that emissions from crematoria will rise by two-thirds from 2000 to 2020, if abatement is not enforced. A slight rise in emissions would follow to 2035 or so, then followed by a decrease back to 2000 emission levels around 2055.
- 5.4 The Government has now set a deadline for all crematoria to notify their relevant local authority regulator by no later than 31 December 2005 how they will achieve 50% reduction in mercury emissions by 2012.
- 5.5 This decision must be incorporated into their Permit (Licence) by the regulator by the end of the year to enable crematoria to continue to operate.
- 5.6 Three options to enable Harrogate Borough Council comply with that guidance have been identified. These are:
- Fit abatement equipment to filter out the mercury to one cremator – option 1
 - Fit abatement equipment to both cremators – option 2
 - Enter into a 'buy in agreement' or burden bearing scheme (trading) – option 3.

- 5.7 Because of the long-term financial savings and disruption to the service, undertaking an upgrade to both cremators is considered the most beneficial and the most practical.
- 5.8 This is also supported by the fact that the Government's Environmental Strategy may well enforce total cessation of mercury emissions post 2012.
- 5.9 To introduce a 'burden-sharing' scheme with other local authorities rather than install abatement equipment will not benefit the occupants of Harrogate in terms of promoting environmental quality. Furthermore, the legality of this option is still in question.
- 5.10 The installing of abatement equipment at Stonefall Crematorium is the safest way forward in improving Harrogate's environment and well-being and meeting its legal obligations.
- 5.11 Further consideration needs to be made on the implementation details for this project in the light of the potential loss of VAT. It may be advantageous to carry out at least some of the works in 2006-7 to coincide with the Royal Hall scheme.
- 5.12 To upgrade in 2006-7 is achievable by the manufacturer and Council approval for this project to commence at the earliest in 2006 should be considered, with an upgrade programmed no later than 2009 due to market saturation and demand for the equipment.
- 5.13 As the existing cremators may well have 10 years or more of usage, it is not cost effective to replace them at the same time as the upgrade.
- 5.14 Financial Information
The capital costs for upgrading two cremators is estimated at £450,000 at 2005/6 prices, but will increase year on year. The additional revenue costs for the two cremators is estimated at just over £11,000 each year, again based on current day prices.
- 5.15 If both existing cremators were replaced at the same time as the upgrade an additional cost of £250,000 needs to be added to the figure in 5.14. Again this is estimated at today's prices.
- 5.16 If a 15% fee increase per annum is agreed over the next 3 years, the additional income generated will be approximately £358,064. After this, a possible 10% fee increase for the next 2 years could be provisionally agreed to repay the outstanding balance on the capital outlay and go toward the cremator replacement. However, a review at the end of 2008/9 would be necessary once the real costs are known. This may indicate that additional increases in the fees would not be required in future years.
- 5.17 That a future report on the agreed decision is submitted with more detailed information on its implementation and financial management plan.
- 5.18 A copy of the main report will be lodged in the Members room.

6.0 APPENDICES

6.1 Within the report there are references to various Appendices. These are:

- Appendix 1 - Comparable systems from four manufacturers
- Appendix 2 - Plan and proposal of system from Facultatieve Technologies.
- Appendix 3A - Indicative costs for upgrading one cremator based on the plan proposal in Appendix 2.
- Appendix 3B - Indicative costs for upgrading two cremators based on plan proposal in Appendix 2.
- Appendix 4 - Projected fee increase – funding strategy
- Appendix 5 - Completed Capital Appraisal Form