

Report to CABINET

Approval to delegate authority to award contract following a procurement process for the Replacement of Oldham's Cremators.

Portfolio Holder:

Cllr Chris Goodwin, Cabinet Member for Don't Trash Oldham

Officer Contact:

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Report Authors:

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Reason for Decision

This report requests delegated authority to approve a contract for the demolition and removal of three cremators and the supply, installation, and maintenance of three new Cremators at Oldham Crematorium, following a procurement exercise. This will ensure the result of the procurement can be enacted efficiently and implemented following the contract award.

Executive Summary

The current cremators components are now becoming obsolete and need replacing to ensure that Oldham Council can continue to provide the option of cremation. In addition, given the age of the current cremators, and the lack of ongoing technical support, the current cremators are unlikely to meet future emission standards and the council could be subject to legal action. Given these two significant risks, this report requests permission to undertake a procurement exercise as outlined above.

Recommendations

- That Cabinet notes the background to the current Cremators and options considered and agrees to the increase in the Capital allocation for the replacement cremators to £1.5m.
- That the Director of Environmental Services, be granted delegated authority to enter a contract following completion of the procurement process, in consultation with the Directors of Finance and Legal.

Approval to delegate authority to award contract following a procurement process for the Replacement of Oldham's Cremators.

1 Background

- 1.1 The cremators installed at Oldham in the late 1990's are The Evans Universal 300/2 Cremator which, in its day, was a robustly built cremator with a life expectancy of 20-25 years depending on usage. The cremators could potentially last another 5 to 10 years, but as each year passes, there is an increased risk that equipment fitted to the cremator is no longer supported by the original equipment manufacturer – this means that there will come a time in the future where a component fails and there is no replacement available.
- 1.2 One of the main components that is obsolete is the Cremator Control System. The cremator control system utilises a Mitsubishi controller which is now more than 25 years old and this controller is no longer manufactured or supported by the manufacturer. Failure of this controller will render a cremator inoperable.
- 1.3 It should also be noted that new modern cremators use less fuel and will also emit less CO₂, which would support reducing the Council's carbon emissions.
- 1.4 DEFRA have issued a consultation paper on reviewing the guidance relating to cremators ([PG5/2/12](#)) which will amend the current legislation on emissions. The paper indicates that all cremators will need to be fitted with flue gas treatment, including mercury abatement filtration equipment by 1 January 2027- see link below (NB at March 2024 this has still not been finalised and the date could be moved to later)
- 1.5 The estimated cost to replace the 3 cremators and install abatement equipment is expected to be in the region of £1-1.5m and the project will mainly be funded from the 'Mercury Abatement' reserves scheme within the Environmental Services Capital Programme (approximate value at 2022/23 - £1.015m) plus contributions from revenue received annually. Further reports will identify the actual cost following tenders.
- 1.6 For clarity and further explanation on time scales [Annex A of the proposed new crematoria guidance](#) states the following:

<https://consult.defra.gov.uk/airquality/consultation-on-crematoria-guidance-review/>

3.3 Mercury Abatement (Flue Gas Treatment)

- From 1st January 2024, all new and replacement cremators will be fitted with flue gas treatment that includes mercury abatement.
- From 1st January 2027, all cremators will be fitted with flue gas treatment that includes mercury abatement. Otherwise, their operation will be limited to 100 hours per calendar year.

There are approximately 3 cremator manufacturers in the UK and with an estimate that 25% of crematoria will need to replace cremators. This report, and its timing is to ensure that Oldham has the full 3 years remaining (2024 to 2026) to replace the cremators in. Due to the shortage of suppliers; the number of crematoria needing replacement cremators, and the time needed to deliver the replacements (6-12 months), if the Council waits to procure the replacements, it may not be able to secure the replacements until after 1st January 2027. Should this be the case, the Council would have restrictions on the number of

cremations that could be carried out and would receive reduced income from the Cremations service until replacement cremators could be installed.

2 Current Position

- 2.1 The Yorkshire Purchasing Organisation (YPO) has in place a suitable framework that supports various crematorium services and works, including installation and maintenance of equipment.

It is proposed that a mini competition will be issued under this framework to suppliers on the framework ("This information is contained within Part B of this report") who are well known in the industry. Following the submission deadline, a full evaluation will take place of the tenders and a moderation meeting to identify the bidder which offers both value for money and quality.

3 Options/Alternatives

- 3.1 Option 1 – Do nothing. The risk in not replacing the cremators could result in reputational damage to the Council through delays or refusal of cremations due to malfunction, loss of income, through residents being forced to use facilities outside the borough, and potential additional costs of cremators needing major repair. There is also the risk of legal action should emissions exceed standards.

Option 2 – To allow for delegated approval to procure the replacement cremators through the YPO framework and increase the capital allocation for the replacement cremators ("This information is contained within Part B of this report")

4 Preferred Option

- 4.1 The preferred option is Option 2

5 Consultation

- 5.1 None

6 Financial Implications

- 6.1 The estimated cost to replace the three cremators and install abatement equipment is expected to be in the region of This information is contained within Part B of this report'.

- 6.2 The project will be funded as detailed below, should tenders be received at the upper cost estimate:

(This information is contained within Part B of this report')

- 6.3 The additional budget requirement, of up to "This information is contained within Part B of this report', will need to be met from Prudential Borrowing. The additional annual revenue impact of financing, ("This information is contained within Part B of this report") of Prudential Borrowing will need to be met from the income generated by the Crematorium over the life of the cremators, assuming the full ("This information is contained within Part B of this report'). These additional charges can be financed from within the existing service budget as charges in relation to current mercury emissions will cease once the new cremators come into operation.

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- 6.4 Given the expected change in regulatory requirements, replacement of cremators before they become fully life-expired will prevent potential loss of income to the service if the existing cremators are retained past 1st January 2027, due to the limits on usage of the cremators resulting from the revised legislation.

John Edisbury Accountant

7 Legal Implications

- 7.1 None.

Alan Evans Group Solicitor

8 Equality Impact, including implications for Children and Young People?

- 8.1 None required as this is just replacing existing infrastructure - Jonathan Downs Corporate Policy lead.

9 Key Decision

- 9.1 Yes.

10 Key Decision Reference

- 10.1 NEI-08-24

11 Background Papers

- 11.1 None.

12 Appendices

- 12.1 None.