

Birmingham City Council

Report to Cabinet

1 March 2022



Subject: Capital Programme – Renewal of Yardley Crematorium
Report of: Rob James, Managing Director - City Operations
Relevant Cabinet Member: Councillor John Cotton, Cabinet Member, Social Inclusion, Community Safety and Equalities
Relevant O &S Chair(s): Cllr Carl Rice - Co-ordinating Committee
Cllr Kate Booth – Housing and Neighbourhoods Overview and Scrutiny Committee
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| Are specific wards affected? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If yes, name(s) of ward(s): Yardley | | |
| Is this a key decision? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, add Forward Plan Reference: 007841/2022 | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, provide exempt information paragraph number or reason if confidential: | | |

1 Executive Summary

- 1.1 This report sets out a proposal for the renewal of Yardley Crematorium.
- 1.2 This report is seeking approval to implement this proposal, due to burning chambers becoming obsolete. The City Council last renewed the facility 23 years ago, while the crematorium when renewed is estimated to have a twenty-year life. The proposal is to make the facility a two burner crematorium rather than existing

three burner arrangement at an estimated capital cost of £2.25 million (final quotations are awaited). Technological advances make this possible while accommodating the existing throughput. The capital provision will be funded from the existing budget although this will be a pressure for the service. The current budget operates at a surplus of over £4 million.

2 Recommendations

- 2.1 That the proposal to renew the crematorium facility at Yardley be approved.
- 2.2 That the cost of the works (estimated at £2.25 million) be funded through the Capital Programme, with the prudential borrowing costs of £143,000 being met from the Bereavement Services bottom line budget.
- 2.3 That the Director Council Management, in consultation with the Management Director of City Operations, be delegated authority to agree final costs and funding.
- 2.4 The facility be renewed as a two-burner crematorium with the improved air quality emission.

3 Background

- 3.1 The City Council opened the Yardley Cemetery in 1883. A crematorium was built on the site in 1952. The crematorium has three burners and chambers and has a throughput of approximately 107 cremations per month on average, although the service is generally less busy in mid Spring to early Summer.
- 3.2 The last complete refurbishment of the site was undertaken in the late 1990s. When the major refurbishment takes place there is a life of 20 years given to the facility. It is now 23 years since the last refurbishment at Yardley. The facility has three chambers/ burners and the replacement parts are becoming increasingly difficult to source. There will be a need to take one of the chambers out of commission to use for parts on the other chambers if, as likely, a part becomes defective in the coming weeks.
- 3.3 With advances in technology it is now possible to have the same throughput in the crematorium with two chambers as was the case with the three. This reduction in the technical requirement reduces the overall cost of the refurbishment, which is estimated to be of the order of £2.25 million, although final estimates are still awaited. Included with the new chambers will be enhanced pollution control plant which will reduce gaseous emissions.
- 3.4 The cost of not undertaking this refurbishment if it led to the closure of the facility is estimated to be of the order of £0.078m per month (£0.936m per annum) (revenue), so the payback for the investment is of the order of just over two years, assuming the existing estimates are accurate.

4 Options considered and Recommended Proposal

- 4.1 The options available are to either invest in the crematorium refurbishment or not to invest. Other potential technologies have been examined including use of electric powered cremators or natural water cremation (resomation). Given the urgency of the refurbishment required, it has not been possible to gather enough information to allow a feasible option to be put forward. This however will be examined further, prior to any future refurbishment of Lodge Hill or Sutton Coldfield Crematoria.
- 4.2 Birmingham City Council faces a significant loss of revenue of nearly £1 million every year if there is not the investment in Yardley Crematorium. There is no alternative option in the service for raising this revenue, so there would be a significant pressure on the budget.

5 Consultation

- 5.1 In consulting with the funeral directors, there has been a clear view emerging that any major refurbishment should be undertaken at a time when there is less demand for the service. The least demand is normally in the period between mid-Spring and Summer- refurbishments of this nature take approximately four months to complete.
- 5.2 Consultation has taken place with the ward member, the Overview and Scrutiny Committees Chairs and other impacted portfolio holders. No objections to the proposals in this report have been received.
- 5.3 Finance and Legal Services business partners have been consulted. Their comments have been received and incorporated into the report.

6 Risk Management

- 6.1 The principle risks associated with this report relate to financial and reputational risks.
- 6.2 The financial risks are the loss of income while the works are ongoing (estimated to be £0.312m) and the potential loss of customers in the future who have been to other crematoria outside the City. It is believed the reduction in the gas required to charge two burners as opposed to three will offset some of the prudential costs of borrowing, but the current major increase in the price of gas threatens to minimise that saving. However not undertaking the refurbishment will lead to a projected reduction in revenue of an estimated £0.936m per annum.
- 6.3 The reputational risks will relate to the withdrawal of a well-used facility in its bereavement services.
- 6.4 The refurbishment of the facility will lead to improvements in environmental well-being both from reduced energy usage and the emission gases treatment.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The time around death and bereavement is a very sensitive time and treating people and families with dignity throughout is essential. Providing crematoria close to residents' homes to allow easy access to facilities when mourning is consistent with the priority of Birmingham is a fulfilling city to age well in.

7.1.2 The adopted delivery plan has a target to provide future investment in cemeteries and crematoria. This proposal will assist in delivering this ambition.

7.2 Legal Implications

7.2.1 The provision of crematoria is an adoptive power under legislation.

7.2.2 The City Council has a duty to provide its services that meet environmental standards. The inclusion of state of the art gas emission treatment technologies will ensure compliance with that requirement as well as improving air quality.

7.3 Financial Implications

7.3.1 The service is seeking to meet the prudential borrowing costs from within its existing budget.

7.3.2 The table below examines the costs of servicing the prudential borrowing for £2.25 million.

| Year | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 |
|--------------------------|-----------|-----------|-----------|-----------|
| Capital Cost £million | 2.25 | 0.00 | 0.00 | 0.00 |
| Revenue Cost £million | | | | |
| Prudential borrowing | 0.000 | 0.143 | 0.143 | 0.143 |
| Income loss | 0.310 | | | |

7.3.3 Based on this projection, there will be an ongoing revenue cost of £0.143m per annum. The net cost of bereavement services has an operating surplus of over £4.0 million. The replacement of the cremators will support the delivery of that net position into the future and therefore will fund the prudential borrowing cost in the long term.

7.3.4 In the short-term the loss of income will be mitigated in the reduced use of gas, reduced need for maintenance, staffing, and proactive referrals of families and funeral directors to other BCC Crematoria sites.

7.3.5 In the medium to longer term, the reduction in the gas required to charge two burners as opposed to three will also offset some of the prudential borrowing (factoring in the current major increase in gas prices).

7.3.6 As previously highlighted, failure to undertake the works will lead to a pressure of £0.936m per annum.

7.4 Procurement Implications (if required)

7.4.1 In the procurement of works contracts to implement these works, the contracts will conform to the City Council's Social Value Policy, thereby complying with the Public Services (Social Value) Act 2012. In particular, any contracts will include provisions as a Tier 2 contract under the social value policy to require the payment of the real living wage to workers engaged in this work.

7.4.2 The purchase of plant to deliver a refurbished crematorium is a specialised system. Associated building works will be commissioned through Acivico.

7.5 Human Resources Implications (if required)

7.5.1 Failure to undertake the reduction will lead to a reduction in staffing at Yardley when the crematorium becomes non-operational and has to be closed.

7.6 Public Sector Equality Duty

7.6.1 The provision of crematoria to meet community needs is a clear requirement to satisfy the public sector equality duty- particular religions require the use of a cremation as part of funeral rituals.

8 Background Documents

8.1 None

List of appendices accompanying this report:

Appendix 1 Fact file for Yardley Cemetery and Crematorium

Appendix 2 - Environment and Sustainability Assessment