

**POLICY DEVELOPMENT PANEL – BEREAVEMENT SERVICES**

**Subject: Policy Principles for Cremations at Falkirk Crematorium**

**Date: 14 January 2014**

**Report by: John Paterson, Head of Operational Services**

**1. INTRODUCTION**

- 1.1** This paper is intended to inform the Policy Development Panel and invited stakeholders, of issues affecting the Bereavement Service. In response to issues identified, draft policy is proposed and the views of the Policy Development Panel and stakeholders invited to give evidence, are sought. It should be stressed that this paper is intended to inform the development of future policy and does not constitute policy at this stage. The views and comments of the Policy Development Panel (including consideration of stakeholder's evidence and views) will be incorporated into a future paper to the Executive of Falkirk Council, which will decide upon future policy.

**2. BACKGROUND**

- 2.1** Falkirk Crematorium has been operational for over 50 years. Whilst the cremation equipment has been replaced approximately every 15-20 years, the three cremators are now approaching the end of their expected life. The fabric of the building remains largely unaltered since construction in 1960s and is showing signs of age, requiring significant repairs and replacement in places.
- 2.2** Additional expenditure is predicted for the Crematorium due to the following developments;
1. Ageing Cremators; Replacements for each of the 3 Cremators are needed (Capital is already allocated for this element).
  2. Compliance with new Environmental legislation – mercury abatement (pollution control). Two options exist to address this and a policy opinion is sought.
  3. Potential policy principles underpinning the choice between cremation vs. burial have not been used to keep pace with the market, or as an instrument to reduce pressure on cemetery space.
  4. Above inflationary increased running costs; due to reliance upon gas (escalating energy costs), ageing building requiring more maintenance, overheads etc.
  5. Building fabric select essential replacements are needed. This would constitute a partial refurbishment (not full refurbishment).

6. Consideration of works which could improve the flow of visitors in and out of the Chapel.

In terms of the scope of the Policy Development Panel, this paper does not discuss items 4, 5 & 6, which are operational matters with no proposed change in policy.

### **3. (Item 1 & 2) NEW ENVIRONMENTAL LEGISLATION; REPLACEMENT OF CREMATORS (with or without Mercury abatement)**

- 3.1 Due to new European legislation (now law in Scotland), Falkirk Council is required to meet new environmental emission standards and comply with a permit issued by the Scottish Environment Protection Agency (SEPA). From the 1 January 2013 the Council is required to significantly reduce the emissions of toxic mercury into the atmosphere, for 50% of its cremations (based upon 2002/3 levels). This can be reduced directly at the Crematorium, or alternatively the council can effectively purchase the savings in emissions made by other crematoriums operating in the UK.
- 3.2 The three current Cremators are approaching the end of their expected lifespan and can be replaced with or without mercury abatement equipment. Mercury abatement equipment will add significantly to the cost (£0.5 - 0.75 million) including a small building or roof extension needed to accommodate the extra pollution abatement equipment.
- 3.3 The facility currently enjoys full compliance with the SEPA Permit and is the subject of regular inspection. Mercury is considered to be a national (and international) pollutant, as opposed to posing a specific local risk. Instead of filtering out Mercury on site, the exchange of "Credits" for the avoidance of mercury emissions can be done on a UK level, through a central burden sharing scheme called CAMEO (Crematorium Abatement of Mercury Emissions Organisation). The council is a full member of CAMEO, has been in consultation with this body and is currently buying (initially at least) "credits" from CAMEO, which CAMEO has obtained from other operators of Crematorium (Councils and Private sector organisations). These credits can then be used by Falkirk Council, who can legitimately claim that by participating in a collective emissions mercury emissions avoidance scheme, the council fulfils its obligations to reduce mercury emissions and thus complies with the SEPA permit. Failure to do so may result in non compliance, prosecution and potential closure of the facility by the regulator (SEPA).
- 3.4 The cost per cremation of buying "credits" from CAMEO is based on the costs incurred by other UK crematoriums, through their installing and operating directly cremators fitted with mercury abatement equipment on their sites. Other crematoriums submit their costs to CAMEO and they are then shared out amongst CAMEO members who do not operate crematoria with mercury abatement equipment (as is currently the case and remains a future option in Falkirk).
- 3.5 For Falkirk Council, the cost of complying with its SEPA permit, through the CAMEO scheme is currently estimated at approx 1950 cremations per year x £48.27 = £94,126. However, only 50% of Cremations require to have mercury

abated (in accordance with the legislation); hence this additional budget pressure is currently half of this figure, at c£47,000 pa.

- 3.6 The option remains for the Council to absorb this cost, with associated adjustment to service budgets to meet this expenditure, or pass this on to users through revised fees and charges. This decision is out with the scope of the policy development panel, although the panel may wish to express a view on whether policy should apply the “polluter pays principle”, normally associated with other forms of polluting processes.
- 3.7 Whilst the Council can continue to fully comply with its environmental and legal obligations through the national trading scheme (CAMEO), the council does have an option to install mercury abatement equipment at its own crematorium, thus avoid mercury emissions locally. This would mean that no fee per cremation would be payable to CAMEO and a small income may be possible for those Councils seeking to buy credits from CAMEO (the income level possible is not yet known and is likely to decline or remain uncertain over time).
- 3.8 The Council had made a capital provision for the renewal of the three cremators at the Falkirk crematorium. Due diligence studies (on the building) have since revealed that additional moneys will be necessary to undertake the partial refurbishment of the building needed due to natural decay. A project is well underway to assess the full requirements of this work and a further report shall be taken to CMT initially, with options for renewing the cremators with or without mercury abatement equipment and with final estimates of building fabric repairs/part renovation costs.
- 3.9 A package of works within the affordability envelope of the current capital allocation shall be proposed in due course, hopefully sufficient to address issues such as the need to replace heating and undertake repairs and/or refurbishment to the fabric of the building (dependant upon costs and affordability). Due to the existing level of capital available, the project is not looking at full renovation as a viable option, although the facility would benefit from a full renovation in time. The final capital sum required will be reported to Council as part of the budget setting process and is out with the scope of this policy development panel report.
- 3.10 The panel are asked to express a view on the issue of abating mercury emissions locally or through CAMEO (subject to affordability).

#### **4. (Item 3) CREMATION CHARGING SCHEME; POLICY PRINCIPLES**

- 4.1 Charges for Cremations (Appendix 1) at the Council’s Crematorium are linked to the cost of running the Crematorium. Approximately 1950 cremations are carried out every year, with just over half being the cremation of non Falkirk Council area residents. Whilst the scope of the policy development does not extend to the setting of charges, the panel are asked however to express a view on the policy principles which are to underpin future cremation charges (from 14/15).

Historically, these principles included;

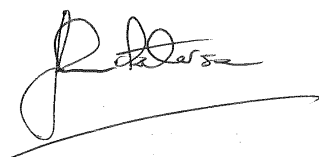
1. No charge for the cremations of those under 18.
2. Non Falkirk residents are charged a higher rate than residents.
3. The cost of cremations is currently 2<sup>nd</sup> lowest in Scotland (for residents).
4. Cremations are more than half the cost of full internments (first internment including purchase of a burial lair).
5. However, cremations are approximately £100 more than the cost of internments where the lair has already been purchased (i.e. 2<sup>nd</sup> and further internment in a lair).
6. There is no current link in the Council's charging scheme between cemetery (burial) costs and the cost of cremation.
7. The current c£24 CAMEO charge component (per cremation) has not been added to the cremation charge. CAMEO has only applied to 2013 cremations, but costs have been absorbed by the service with a c £47,000 cost pressure.

It is proposed that there is no change in the principles outlined in item 1 & 2 above, unless the Policy panel are minded to express an alternative view?

- 4.2** Panel members will be aware from the June 2013 report to Council, of pressure on cemetery space and the need for the creation of additional cemetery space. It is proposed then that the principle of creating a pricing incentive which encourages the choosing cremation over burial is to be recommended to the Executive. This would take the form of cheaper charges for cremations than would be the case for the purchase of burial lairs and/or the cost of the 2<sup>nd</sup> and subsequent burials, thus encouraging the choice for cremation which would help reduce pressure on the Council's cemetery space.
- 4.3** Whilst the panel should note Falkirk's Council is currently one of the cheapest for the purchase of burial lairs, cremation and burial charges, several other councils are increasing cemetery charges significantly. The panel are asked to note that the recommended policy of making cremation charges cheaper than burials, may disadvantage those with strong convictions that they are to be buried as opposed to be cremated. This could apply to individuals exercising personal choice for or against being cremated, but would also apply to those belonging to some faith groups which do not favour cremation. It would be advisable to calibrate any view of the policy panel with the views of witnesses being called to the panel from faith groups. Equally a price differential making cremations less expensive than burial, could influence those with no clear preference, to then elect for cremation.
- 4.4** With regard to item 7 above, it is recommended that the policy panel gives a view which will advise the Executive on future cremation charges to be increased, such that the new burden of CAMEO charges is contained within each cremation fee charged to individuals. It is not recommended that the CAMEO element of the charge is separately visible, as is the recommendation of CAMEO and from the polluter pays principle.

## **5. RECOMMENDATIONS FOR CONSIDERATION**

- 5.1** Stakeholders giving evidence to the Policy Development Panel are invited to comment on the issues contained within this report, and specifically give any comments on the following issues for consideration by the Policy Development Panel;
- 5.2** The Panel members shall give consideration and comment on the recommendations (below) and from invited stakeholders regarding their views on abating mercury emissions locally versus the Council continuing to comply via the CAMEO scheme, noting the difference in capital requirements of £0.5-0.75m required to abate mercury on site?
- 5.3** The Panel are asked to express a view on the historic and future policy principles which will underpin the future charging for cremations, with respect to costs incurred for mercury abatement and to influence individuals opting for burial over cremation, specifically;
- a) The panel are asked to express a view on the proposal to pass on the CAMEO charge to customers at approximately £24 per cremation, or alternatively that the council should continue to absorb the cost into the budget of c £47,000 pa.?
  - b) The panel are asked if they would support the setting of increasing bereavement charges, such that the charging scheme incentivises the choosing of cremation over burial, thus encouraging a needed reduction in pressure for cemetery space.



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Date: 7 January 2014