

Business Support Overview and Scrutiny Committee

Briefing note 5/21

Date: 16 August 2021

Briefing paper to: All Members of the Business Support Overview & Scrutiny Committee

Purpose: To inform members of the Committee on progress in completing the mercury abatement works to the Medway Crematorium and the history of the scheme.

1.0 Background

- 1.1 At its meeting on 22 August 2019, as part of the discussion on the Capital Budget Monitoring round 1 report, the Committee requested a briefing note on progress in completing the mercury abatement works to the Medway Crematorium and the history of the scheme.
- 1.2 Members first approved a scheme to modernise its cremation equipment in 2007 using the appropriate Gateway reporting processes. Crawford Equipment Europe Ltd successfully tendered, through a competitive OJEU process, to provide cremators and specialist abatement plant and Provian Ltd (part of the Brett Group) were subsequently successful in tendering for the role of principal contractor. The project included extending the crematorium chapels and car parking.
- 1.3 At the time of the first award, Crawford were the only company who submitted tenders that manufactured equipment sufficiently compact to fit within the available footprint of Medway Crematorium. This has since changed, and other manufactures have been able to downsize their equipment.
- 1.4 The Capital Programme for this work was funded directly from a mix of prudential borrowing and an Environmental Surcharge fund supported by fee income.
- 1.5 Crawford commenced work in 2012 but entered into Voluntary Liquidation in July 2013, part way through the installation and without prior notice.
- 1.6 Post liquidation, Provian sought Adjudication on the matter of the contractual engagement of Crawford, which found in Provian's favour, putting the liability for Crawford's installation with Medway Council.
- 1.7 Nevertheless, Provian made arrangements with another manufacturer to complete the work. This company withdrew after only 3 months on site.

- 1.8 Various options were then considered including refurbishing Crawford's equipment, but this was eventually discounted on the grounds of it being uneconomic, unreliable and with no guarantee of longevity.
- 1.9 It was then decided to follow a full tendering exercise for a new installation. This was completed in February of 2017 and a preferred supplier identified.

2.0 The final phase of the project

- 2.1 The preferred supplier *Facultatieve Technologies Ltd*, a Dutch company, has an excellent track record and has been responsible for installing the significant majority of cremators in the UK.
- 2.2 The installation was highly technical and complex, made more challenging by the desire to maintain services whilst equipment is being installed.
- 2.3 The capital budget for this phase of the project was identified and broken down thus;

Estimated costs	
New cremators and abatement	£863,000
Enabling works	£400,000
Professional fees	£126,000
Improvements to crematory	£160,000
Overheads and Profits; welfare facilities, site prep, compound etc.	£115,000
Estimated costs subtotal	£1,664,000
Retention held from Provian	£88,000
Crematorium repairs fund balance	£165,000
Remaining scheme balance	£448,000
Existing available funding subtotal	£701,000
Contribution from Provian / Brett's – final settlement	£650,000
Funding from reserves	£313,000

- 2.4 The project subsequently funded from prudential borrowing with all reserves and Provian settlement used to address 2016-17 overspend.
- 2.5 Works commenced on site at the beginning of October 2017 with the installation of a new Cremator housed within a shipping container to the rear of the Crematory. This addition to the project was intended to provide some resilience during the works and to avoid completely the need to shut the business down at any stage.
- 2.6 In April 2018 following the removal of the old Crawford cremator 1 it was found that the concrete floor had deteriorated to such an extent that a new

slab was required to take the weight of the new cremators. This had the unfortunate effect of adding an unplanned 5-week delay in the installation while the concrete cured.

- 2.7 While excavating the crematory flooring in preparation for the slab, cables and pipework from an unknown origin were found that required further consultancy and engineering.
- 2.8 Once the cremators were installed the steel lintels above the cremators needed to be redesigned to allow for the ductwork and adequate ventilation.
- 2.9 On investigation it was found that the condition of the chimney stack was such that it required extensive re-pointing and the steel bands to the top of the stack had completely corroded through requiring additional scaffolding over an extended period.
- 2.10 Unfortunately the 5-week delay and these unforeseen costs relating to engineering and consultancy fees had the net effect of a likely overspend of £75,797.00 on the project (dependant on the agreed final account figure with the supplier) despite every effort made to mitigate the risk.
- 2.11 The project was completed in October 2018 and we now have 3 brand new cremators of the highest quality with a 100% mercury abatement system ready to meet the needs of the people of Medway and further afield for many years to come.

Lead officer contact

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