

**REPORT TO:** Executive Board

**DATE:** 15 July 2021

**REPORTING OFFICER:** Strategic Director Enterprise, Community and Resources

**PORTFOLIO:** Environment and Urban Renewal

**SUBJECT:** ATI UK Ltd Cremator Issue at Widnes Crematorium

**WARDS:** Boroughwide.

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To propose a solution to the current problem that exists at Widnes Crematorium regarding two ATI UK Ltd cremators for which there is no maintenance support following the collapse of that company in March 2020.

## **2.0 RECOMMENDED: That**

- 1) Delegated authority be granted to the Strategic Director – Enterprise, Community and Resources, in consultation with the Portfolio holder, to procure a replacement cremator and associated service and maintenance contract; and**
- 2) Council be recommended to include £200,000 in the 2021/22 Capital Programme for the scheme, as outlined in section 5.0 below.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 Widnes Crematorium currently has two ATI UK Ltd cremators which were procured in 2013 and installed in the early months of 2014. This type of cremator was estimated to have a life expectancy of 15 years and for that reason a service and maintenance contract to cover that period was entered into with ATI UK Ltd. In 2014 Widnes Crematorium carried out 567 cremations. In 2020 1,227 cremations were carried out at Widnes Crematorium.
- 3.2 On 18 March 2020 the Council received confirmation that ATI UK had ceased to trade. A week later the first Covid-19 lockdown was announced.
- 3.3 After the demise of ATI UK Ltd the Council was left with no service and maintenance contract. Cremators like any other mechanical apparatus, can and do fail from time to time for a wide variety of reasons. They also

require regular servicing. The Divisional Manager of the Open Space Service approached a number of the larger cremator manufacturers to see if they would enter into a service and maintenance contract for Widnes Crematorium. Only one company was interested. Whilst they declined to enter into a formal contract they agreed to help the Council by carrying out service and repair on an ad-hoc basis, by providing us with a temporary cremator (to cover the expected increase in cremations and to cover if the ATI equipment broke down), and by preparing us a report and giving us options as to how we could move forward. The report was completed on 27 April 2021. The report proposes a solution which would be to replace one of the ATI UK Cremators and to keep the parts from the dismantled machine in the hope that they can be used to keep it operational for the next few years. This would be the cheapest solution to the immediate problem but it would cost in the region of £200,000. The temporary cremator rented at a cost of £8,000 + VAT per month would go off hire and be removed.

#### **4.0 POLICY IMPLICATIONS**

4.1 There are no policy implications.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The proposal would require capital of circa £200,000. It is important to note that Widnes Crematorium generated an income of £762,000 in 2020/21. Operating costs were £227,000 giving a surplus of £535,000. Part of this is used to offset the cost of providing cemeteries but even when that is taken into consideration there was still a surplus of £417,000. Therefore the revenue budget could easily service the capital expenditure.

5.2 Because of the uncertainty and the risk of mechanical failure associated with the ATI UK Ltd cremators the Council hired a temporary cremator. This cost £25,000 for delivery and set up and is costing £8,000 per month for rental (£108,000 to date). If the recommendation of this report is accepted the temporary cremator can be decommissioned and sent off hire (decommissioning cost £20,000).

5.2 The annual service and maintenance cost with ATI UK Ltd had been £13,600 per annum (*based on up to 800 cremations per year*). Going forward annual service and maintenance costs are likely to be circa £20,000 per annum (*based on up to 1400 cremations per year*). In the period since 18 March 2020 the Council has paid Matthews Environmental a total of £2,162 for maintenance on an ad-hoc basis. The revenue costs for service and maintenance can easily be met from existing budgets.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children and Young People in Halton**

There are no implications for Children & Young People.

## **6.2 Employment, Learning and Skills in Halton**

There are no implications for employment, learning and skills.

## **6.3 A Healthy Halton**

There are no implications.

## **6.4 A Safer Halton**

There are no implications.

## **6.5 Halton's Urban Renewal**

There are no implications.

## **7.0 RISK ANALYSIS**

At present there is significant risk to the Widnes Crematorium operation. Although mitigated because of the hire of a temporary cremator should both ATI UK Ltd cremators fail at the same time it would be extremely difficult to carry out the number of cremations that are required without there being serious delays.