

CAMEO National Burden Sharing

EXECUTIVE MEMBER: Councillor Peter Kane

LEAD OFFICER: John Davis, Parks Manager

REPORT AUTHOR: Keith Parker, Head of Neighbourhoods

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The national mercury abatement burden sharing scheme enables the Council to offset its mercury abatement obligations in a cost effective manner, thereby minimising the financial impact on residents.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)

The report provides Members with the details of the national mercury abatement scheme now that details have been published of how burden sharing will operate.

RECOMMENDATIONS: It is recommended that

The Executive notes the detail of the report and that the previously agreed release of £25,000 from the "Tmac formerly Cameo" earmarked reserve means the Council's mercury abatement obligations in the 2013 calendar year is already funded.

1. Introduction

- 1.1 In 2005 the Department for Food and Rural Affairs introduced a requirement for the cremation industry to remove mercury from 50% of cremations nationally. The target was based on reducing mercury emissions to the environment but at the same time not burdening the bereaved with excessive cost and the possibility of closing local crematoria. At the same time the principle of burden sharing was established whereby those crematoria who chose not to install mercury stripping equipment could offset their obligations by contributing to those that invested in the infrastructure needed. Arising from a cost benefit analysis, the Council chose not to invest in mercury abatement equipment at the last major upgrade to the crematorium as the return on investment could not be justified when there was to be a burden sharing option.
- 1.2 The details of how the burden sharing arrangements have now become available. The essence is abated crematoria may choose to offer a number of "tradable mercury abated cremations" (Tmac's) to Cameo Limited, the not-for-profit broker of the Tmac's. At the same time non-abated crematoria like Distington Hall can purchase Tmac's equal to 50% of the number of cremations carried out. The value of a Tmac is set by the broker and for the 2014 calendar year is £50.52. This sum less an administration fee is then paid over to the abated crematoria on a pro-rata basis to the number of Tmac's offered.

- 1.3 The Council has an earmarked reserve established for the purposes of Tmac trading. At the meeting of Executive on 9 January 2014 it was agreed to release £25,000 from the reserve to provide the anticipated contribution. During 2013 900 qualifying cremations were carried out resulting in a financial obligation in the order of £23,000. Accordingly, and subject to confirmation on invoice from Cameo Ltd, the call on the reserve is likely to be slightly lower than originally estimated.

2. Options

- 2.1 The Council has always envisaged participating in the burden sharing arrangements via Cameo Ltd which provides a readily available and nationally accepted option for trading Tmac's. An alternative option would be for the Council to seek to trade directly with abated crematoria for the number of Tmac's necessary to offset its obligations. However, at this stage whilst there is no established market for Tmac's and thus no known competitive pricing it is not recommended the Council pursue this option. This situation may change in the future if the supply of Tmac's exceeds demand and the price therefore falls.

3. Recommendations

- 3.1 In order to be able to offset the Council's obligations under the mercury abatement scheme by purchasing Tmac's to the equivalent of 50% eligible cremations carried out £23,000 is needed from the earmarked reserve established for this purpose.
- 3.2 Unless a more competitive market place develops for the sale of Tmac's the Council should remain in the Cameo Burden sharing scheme. It should also be noted if the Council does seek to make alternative arrangements to purchase Tmac's regulation and recording is still required through Cameo Ltd to provide assurance the national obligation is being met.

4. Conclusion

- 4.1 Participating in the Tmac trading scheme through Cameo Ltd enables the Council to seek to be managing its mercury abatement obligations in a transparent way. In doing so it also provides a cost effective option for the Council to meet these obligations without an excessive burden falling on the bereaved.

5 Statutory Officer Comments

- 5.1 The Monitoring Officer's comments are: The Secretary of State under the former Environmental Permitting Regulations 2007 and by directions made under those regulations introduced a scheme where un-adapted crematoria contribute to the costs of adapted crematoria. The scheme has a legal basis regulated by conditions being attached to the permit issued by a regulator for the operation of the crematorium.
- 5.2 The Section 151 Officer's comments are:
The council approved the release of £25K from this earmarked reserve for this purpose at its meeting on 27th February 2014. Therefore sufficient funds are available to meet this liability.
- 5.3 Policy Framework Comments: None
- 5.4 EIA comment: None
- 5.5 Other consultee comments, if any: None

6 How Will The Proposals Be Project Managed And How Are The Risks Going To Be Managed?

Management of the scheme will be through the Council's bereavement services. There are no foreseen or significant risks.

List of Appendices:- None

Background Papers: CAMEO National Burden Sharing Participation Form 2013/14,
Crematoria Abatement of Mercury Emissions Organisation Articles of Association.
Rules of the Cameo Burden Sharing Scheme