

CABINET

DATE	11 th February 2026
REPORT OF	Councillor Henry Hudson, Portfolio Holder for Environment and Net Zero
RESPONSIBLE OFFICER	Carolina Borgstrom, Director of Economy, Environment, and Infrastructure
SUBJECT	Replacement of Cremators at Grimsby Crematorium
STATUS	Open
FORWARD PLAN REF NO.	CB 02/26/04

CONTRIBUTION TO OUR AIMS

The recommendations in this report will contribute to the delivery of the Council Plan for 2025 to 2028 which sets out the ambition for a Stronger Economy and Stronger Communities. The replacement of the cremators aligns with our strategic Green Ambition which is set out in the Carbon Roadmap to reduce the Council's carbon emissions, working towards the Council's strategic priority of achieving net zero by 2030. As well as making a positive and tangible contribution to tackling climate change, supporting green jobs, supporting a green recovery and high-quality environment, the recommendations will also contribute to the effective management of our assets and control of energy bills.

EXECUTIVE SUMMARY

To seek Cabinet approval to progress plans for the replacement of cremators at Grimsby Crematorium, with new electric cremators, including associated building works.

- Replacement is needed urgently as Bereavement Services believe existing cremators are at risk of failure within two years.
- The electric option is significantly lower cost than the gas cremator option. It is more cost-efficient to run and has lower carbon emissions.
- The Salix Public Sector Decarbonisation Scheme grant (PSDS) can contribute £1.5m to spend before 31 March 2026, whereas NELC spend is not time limited.
- Risks of not progressing include losing grant, unplanned replacement, and significant downtime of Grimsby Crematorium all of which lead to higher corporate costs.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the plan to replace the cremators at Grimsby Crematorium (as outlined within this report).
2. Delegates to the Director of Economy, Environment, and Infrastructure, in consultation with the Portfolio Holder for Environment and Net Zero, authority

to:

- a. recognising the very narrow non-UK market for such equipment and expertise, directs the Director of Economy, Environment, and Infrastructure to immediately award and engage DFW Europe Netherlands to manufacture and provide the electric cremators required;
 - b. undertake the final technical designs for building works required to enable replacement of the cremators; and
 - b. procure and appoint contractors to undertake the required works, alongside DFW Europe Netherlands, to deliver the Grimsby Crematorium scheme and thereafter to mobilise and implement the scheme;
3. Authorises the Director of Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Environment and Net Zero, to undertake:
- a. submission of any planning applications for the Grimsby Crematorium scheme that may be required;
 - b. dealing with any land matters that may arise regarding the project; and,
 - c. commission any enabling surveys and works that might be required for the Grimsby Crematorium scheme.
4. Authorises the Director of Economy, Environment, and Infrastructure, in consultation with the Portfolio Holder for Environment and Net Zero to deal with all matters reasonably arising from or ancillary to the above recommendations.
5. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute and complete all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

To enable the Council to progress the Grimsby Crematorium scheme through to technical design, procurement of contractors, and deliver in line with the Council's requirements.

1. BACKGROUND AND ISSUES

- 1.1 Grimsby Crematorium currently operates two gas cremators, both at the end of their mandated lifespan despite recent re-lining. Maintenance issues and costs are increasing, and failure of one or both units would cause significant service disruption, including:
 - Families travelling further for cremations, causing distress.
 - Loss of income for North East Lincolnshire Council.
 - Difficulty in compliance with air pollution permit.
 - Reputational damage.
- 1.2 North East Lincolnshire Council has secured funding for decarbonisation of Council assets via the Public Sector Decarbonisation Scheme (PSDS),

which Cabinet approved on 13th March 2024. This funding included provision to replace the gas cremators at Grimsby Crematorium with electric ones, presenting an opportunity to partly fund the scheme.

- 1.3 Following extensive research, DFW Europe is the only manufacturer of electric cremators in Europe, to provide the specification and technical expertise, plus ongoing UK based servicing and maintenance support. Consequently, given the narrow market for such services, it is deemed appropriate to commission an order for the cremators directly with DFW Europe.
- 1.4 The order for cremators must be placed with DFW Europe before end-March 2026 (£1.3m). £200k can be spent by then on RIBA 4 design and instructing Northern Powergrid on the substation upgrade required. Thus, we can spend sufficient to be able to draw down the full £1.5m Salix PSDS grant available.
- 1.5 The manufacture time for the cremators is 9 months. We are developing terms with legal to protect NELC's deposit in an escrow account during this period.
- 1.6 The £3.193m NELC contribution has no specific time limit to be spent, so construction is planned at a time suitable to the Bereavement Service in spring 2027.

Options for Replacement

- 1.7 Two options have been explored regarding the replacement of the current gas cremators, as outlined below.
- 1.8 Replace with New Gas Cremators, which would be simpler in terms of building works required, plus the Grimsby Crematorium team are experienced in working with gas cremators.
- 1.9 However, there are several disadvantages, including:
 - 1.9.1 Higher capital outlay without the PSDS grant funding (PSDS would only fund replacement electric cremators, not gas), the capital costs of replacing the gas cremators would be £5.7m which is £2.5m more expensive than the electric option.
 - 1.9.2 No energy or costs savings to the Council;
 - 1.9.3 Significant downtime (approximately 12 weeks), which would require temporary cremators that would result in a cost of approximately £40,000 per week through a mixture of lost income and temporary cremator hire; and,
- 1.10 Replacing the existing gas cremators with new electric cremators, has several advantages and disadvantages, as outlined below.

1.11 Advantages include:

1.11.1 Electric cremators have proven to be more efficient than gas, which could provide significant operational savings estimated £55k per year.

1.11.2 The installation of the electric cremators could be undertaken whilst the gas ones are kept functioning, i.e., no requirement for temporary provision, reducing the scheme costs; and,

1.11.3 An opportunity to utilise the Salix PSDS funding to subsidise the cost of replacement cremators.

1.12 However, the principal disadvantage to this option is that building works would be required to Grimsby Crematorium to enable the installation of the electric cremators, predominantly an extension to the building and strengthened flooring, to accommodate the increased size of the electric cremators. Officers have engaged with Planning via a Pre-Application.

Electric Cremators

1.13 More UK Local Authorities are installing electric cremators including Worcester, East Cambridgeshire, and Nottingham (Rushcliffe). The Grimsby Crematorium team have visited the Rushcliffe facility to see how it operates and felt electric cremators could be incorporated in Grimsby.

1.14 The cost to NELC to install electric cremators would be:

RIBA 3 cost plan / includes design and management to date) as in section 1.5	£4.716m
Salix PSDS grant (on spend to end-March 2026)	£1.523m
Additional Council contribution we are seeking (anticipating later request from Assets for £240k backlog maintenance in 27-28)	£3.193m

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1. Using the PSDS funding and replacing the gas cremators with electric ones will provide the Council with a wider range of options to reduce CO₂ emissions within the Borough and reduce energy cost to the Authority.

2.2. The PSDS grant also provides a significant opportunity for the Council to deliver this essential cremator replacement supported by external grant rather than delivering the required replacement programme wholly through NELC capital borrowing.

2.3. Payments for grid connection which has been offered, and order of the cremators, need to be made before 31 March 2026 so the PSDS grant can be claimed in full.

- 2.4. A condition to the PSDS funding is that any project shortfalls which emerge are met by the Local Authority and funding may have to be repaid if projects do not complete on time. Using the PSDS funding for this scheme will ensure the Council maximises the use of the grant, plus the project team has consulted with the funder to ensure its use, as outlined within this report, is eligible.
- 2.5. Conversely, if a decision were made now to replace with gas not electric, then the grant funders may claw back £521,277 grant already drawn down towards design costs and site surveys.
- 2.6. Unpredictable and fluctuating gas and electricity prices may result in lower annual energy cost savings than expected. This risk is important because of the reduction in the potential energy cost savings for the Council. To mitigate this risk the most suitable low carbon alternative system was chosen for this scheme and the proposed building fabric measures outlined in paragraph 1.12, will allow the system to run at its highest efficiency.
- 2.7. Construction work costs could increase and impact on the proposed programme. Current cost estimates are based on a RIBA stage 3 design, which incorporates building design work, including building surveys, consultation with the Council's planning department, consultation with utility providers, etc, undertaken by professional advisers, with costs reviewed by a suitably qualified Quantity Surveyor. This provides a level of comfort to the costs associated with this project.

A contingency of £738,000 has been included in the costings which equates to 33% of construction costs. The building works proposed are small, primarily consisting of an extension to the current building and updating existing heating systems. The Council would seek to use its existing procurement frameworks to procure a contractor, using its programme (and in collaboration with the electric cremator manufacturer) as the basis for any appointment, so reducing the risk of programme overrun.

3. OTHER OPTIONS CONSIDERED

- 3.1. Gas/electric options as compared in Paragraphs 1.7-1.12 above. Gas discounted as the cost to the Council would be £5.7m versus the £3.2m for electric.
- 3.2. The option to "do nothing" is not available as the cremator units do need planned replacement to ensure continuity of service.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. Utilising the PSDS grant and replacing the existing cremators with new, more efficient ones will generate positive reputational and communications benefits, as it will secure the future operation of Grimsby Crematorium and reduce the Council's carbon emissions and show progress towards our strategic priority to reach net zero by 2030.

- 4.2. Conversely, the risk of not replacing the current gas cremators and them failing could cause negative reputational and communication issues.
- 4.3. The project board has a representative from the Communications Team who will manage public communications as they arise, particularly with the public and local funeral directors regarding the planned building works.

5. FINANCIAL CONSIDERATIONS

- 5.1. The request is for corporate funding from borrowing of £3.193m.
- 5.2. Savings in revenue (energy costs) of £55k/year are anticipated and the electrical cremator option proposed is lower capital cost compared to gas (section 1).
- 5.3. Our proposal minimises downtime for the Crematorium, thus safeguarding the income generation from the facility.
- 5.4. The electric cremator option is the lower capital cost and running cost of the options considered.
- 5.5. The table below compares total Capital Expenditure and the Service Area Revenue Impact over 20-year lifetime of the assets. Electric has a better revenue position by £1.8m.

Financial Impact	Replace with Gas Cremators (£'M)	Replace with Electric Cremators (£'M)	Variance (£'M)	Comments
Capital cost	5.141	4.716	- 0.425	Electric costs from RIBA3 cost plan (Jan 2026). Gas costs from service estimates. Backlog maintenance contribution included for both
Salix Grant Income	0.521	- 1.523	- 2.044	Gas includes Salix claw back of grant for design in event electric not progressed.
Total Capital Investment	5.662	3.193	- 2.469	
Revenue - running costs	2.143	0.600	- 1.543	New gas units more efficient than old, but electric vastly more efficient due to smaller volume of exhaust gas removing heat from the facility.
Component replacement	0.065	0.108	0.043	Consulted with Bereavement Service, costs known for gas, service schedule and experience at similar electric facilities.
Loss of Income	0.480	0.160	- 0.320	Initial works - shutdown - shorter for electric as new units can start before old units removed. Does not include potential impact of customers "lost for good" in long shutdown.
Service Area Revenue Impact	2.688	0.868	- 1.820	

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

Our environmental strategies aim to improve the environment for the benefit of current and future generations. Children and young people are especially concerned about our environment, and it is essential to engage with them, where appropriate on environmental matters.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

- 7.1. Through building fabric improvements and energy efficiency improvements NELC will be consuming resources more efficiently and investing in the green economy and infrastructure, contributing to the Council's environmental priorities.
- 7.2. Replacing end-of-life and aging cremators with low carbon alternative systems instead of like-for-like fossil fuel reliant systems is contributing to the Council's environmental priority of working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.
- 7.3. A new facility will more easily meet the requirements of the environmental air quality permit covering the facility.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

The proposals will allow the Crematorium to continue to provide services to the community and local area, but no health or inequality impacts have been identified.

9. CONSULTATION WITH SCRUTINY

At the meeting on 8 January 2026.

10. FINANCIAL IMPLICATIONS

The capital cost of the cremator replacements would be incorporated into the approved capital programme, with costs monitored in line with established budget monitoring process. Future revenue costs and savings would be incorporated into the Medium-Term Financial Plan as part of the annual budget setting process.

11. LEGAL IMPLICATIONS

- 11.1 The anticipated works meet several stated aims and ambitions for the Council. The procurement exercise for the engagement of appropriate contractors will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023 and supported by relevant officers.
- 11.2. The order for the proposed cremators is likely to be by way of direct arrangement, given the very narrow market for such equipment and expertise and will be managed within internal procedures.
- 11.3 The delegations sought are consistent with an exercise of this nature.

12. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

13. WARD IMPLICATIONS

Grimsby Crematorium sits within the Park Ward, but is a facility that is available to all residents.

14. BACKGROUND PAPERS

Public Sector Decarbonisation Scheme grant for heat decarbonisation to Local Authority Assets – Cabinet Report – 13th March 2024

15. CONTACT OFFICER(S)

- Carolina Borgstrom – Director, Economy, Environment & Infrastructure.
- Kath Jickells – Assistant Director, Environment
- Richard Dowson – Head of Project Management

COUNCILLOR HENRY HUDSON,

PORTFOLIO HOLDER FOR ENVIRONMENT AND NET ZERO