

## Financial Statement (Appendix 2)

There is no payback for this project as the new Cremators would not generate additional income, they would simply ensure the current level of service and income (an annual total gross cremation & associated income of approx. £2m from 2,500 cremations) is maintained so that our budget is achieved.

There are four cremators to be replaced with two new ones. It is not possible to indefinitely patch-up the four old cremators. One has already failed and is beyond repair and out of use, a second is exhibiting the same behaviours and could fail beyond repair at any given time. The two remaining cremators are past their 20-year life span and will increasingly cost more to repair, have longer periods out of service, accommodate fewer cremations until at an unknown time they fail altogether. As detailed earlier in the report, it is highly likely that those still in operation will fail at a time when they are being used heavily (in the busy winter time or when the new cremator is not in use for a service, testing or repairs) and in this scenario the issue will cause significant operational, reputational and financial problems as one cremator cannot service the needs of the Crematorium.

One new cremator was installed in 2009 which is more efficient, is fully abating and is increasingly being depended upon as the older cremators fail.

The cost of each cremator is around £8K per annum for routine maintenance and servicing, and a reline costing £50K per cremator after around 3,000 cremations and a new hearth after approximately 1,500 cremations. The frequency of relines is dependant on use. With just over 2,500 each year a reline or new hearth is required most years for one of the cremators.

Cremation is not the only income stream at the cemetery and crematorium that would be affected by a significant (50%) reduction in cremations. The crematorium generates significant income from post cremation sales (£320k+ in 2017/18) and this would also be affected by a significant reduction in cremations.

The Financial risk of not replacing the aging cremators is that maintenance and repair costs would increase and income would decrease below our budget because we could only offer a restricted cremation service. The new cremators are essential to maintain the current 'status quo' in terms of income generation and quality and volume of service provision.