

For Publication

Crematorium Fees and Charges 2023/24

Meeting:	Chesterfield and District Joint Crematorium Committee
Date:	19 December 2022
For publication	

1.0 Purpose of the Report

- 1.1 To seek approval for implementation of fees and charges for the crematorium from 1st January 2023.
- 1.2 To seek approval for delegated authority to be given to the Manager to introduce an **"Energy Cost Surcharge"** according to any increases in Gas and Electricity Prices over and above what has been budgeted for.

2.0 Recommendations

- 2.1 To approve Fees and Charges for 2023 according to Appendix A.
- 2.2 To introduce a new Band A – Direct Cremation (Unattended) Fee of £385.00.
- 2.3 To introduce Band B – Direct Cremation (Attended) Fee of £485.00.
- 2.4 To introduce 'Cancellation of Cremation Service Fee Within 2 Working Days' of £100.00.
- 2.5 To introduce an 'Out of Time' Penalty, remitted to the waiting family of £100.00.
- 2.6 Delegated Authority be given for the Manager to introduce an **"Energy Cost Surcharge"** during 2023 but with suitable notice given to Funeral Director's before any surcharge is made. Any decision will be taken in consultation with the Treasurer, Chair of the Committee and Lead Authority Service Director.

3.0 Reason for Recommendations

- 3.1 To ensure sufficient funds to maintain high levels of standards for the bereaved, reach a balanced budget and to maintain sufficient reserve levels to meet any future pressures.
- 3.2 To provide an affordable option for cremation for all with comparable fees and high standards.

- 3.3 To ensure that the Crematorium can provide a suitable option for Direct Cremation.
- 3.4 To assist with the smooth running and timings of funeral services. The 'Out of Time Penalty' shall be charged to the Funeral Director responsible for the Service leading to the delay but then deducted from the charge to the waiting family.
- 3.5 It is anticipated that the recommended Fees and Charges will cover the increases in staffing, maintenance, supplies and services budgets if approved. However, due to the volatility and risk around Energy Costs, the Crematorium reserves the right to add an "Energy Cost Surcharge" during 2023. This is in order to mitigate the risks should prices rise higher than what has been taken into consideration using the most accurate predictions and budgets set at this time.

4.0 Report Details

4.1 Background

Members will be aware that fees and charges are normally reviewed on an annual basis and adjusted accordingly from 1st January.

The proposed changes to fees have been based on a robust estimate of the impact of cost increases and demand within the services. This includes assessing the affordability of any of these increases to our residents and customers. Cost pressures and changes in demand include:

- Increases in energy costs
- Inflationary increases (October CPI 11.1%) resulting in increases in supplier costs and materials and in Cremator Maintenance Costs
- NJC Pay Claim for 2022-23 which has resulted in a higher than budgeted for pay increase for staff and a higher than anticipated budget for the 2023-24 Pay Claim
- A possible reduction in cremation numbers after excess deaths during the Covid 19 Pandemic

4.2 Service Analysis and Comparison

An annual table of standard cremation fees is published each year by The Cremation Society of Great Britain. The table shows that as of 1st January 2022, Chesterfield and District was ranked 174th of 314 Crematoria (1st being most expensive) in the United Kingdom.

The current standard cremation fee of £830.00 is below the national average. In the United Kingdom, the average standard cremation charge as of 1st

January 2022 was £855.00. (*Source, The Cremation Society of Great Britain; Cremation Statistics*).

The current standard cremation fee of £830.00 is also below the local average of £898.00. The table attached at Appendix 2 details local Cremation Fees for comparison. It is expected that other local crematoria will review and increase their fees from 1st April 2023.

Although the Cremation Fee is below the national and local averages, there is evidence to suggest a high standard of service including;

- Positive results in the 2022 Stakeholder Satisfaction Survey.
- Retaining the Green Flag Award for 2022 which recognises well managed parks and green spaces.
- Charter for the Bereaved Gold Award
- FBCA Inspection Results

The proposed Fee of £905.00 will still be lower than a number of other local crematoria who are expected to increase their costs in April 2023. It is expected that the new fee will be around the Regional and National Averages once other authorities have amended their fees.

4.3 Direct Cremation

Changing attitudes to rites around death are leading to a rise in people choosing Direct Cremation.

A Direct Cremation is a lower cost cremation - often with no service, mourners, ceremony or visitors to the funeral home.

Direct cremations will reach or exceed 10% of all UK deaths by 2030 according to finalchoices.co.uk and Dignity Funerals research.

Four years ago, a Direct Cremation option (Band A) was introduced here. The coffin always enters through Chapel, the family have the option to attend if they wish, music can be played, and the family are informed what time the service takes place if they do not attend, and cremated remains are available for delivery or collection the following day.

Although, the dignified service we offer is generally appreciated, many do not attend, listen to music or accompany the coffin into chapel. Not knowing when or where the cremation will take place, or delays in receiving cremated remains also does not appear to be a barrier for many. Therefore, other providers are still chosen by constituents from the three authorities, similar to those specialist providers advertising direct cremation on TV.

It is therefore proposed and recommended that a new Band A Cremation Service is introduced, named Direct Cremation (Unattended) at 08.10am and 08.20am for a fee of £386.00.

And that a new Band B Cremation charge, named Direct Cremation (Attended) for those who do wish to accompany the coffin, listen to music etc is introduced for a fee of £486.00 at 08.30am and 08.50am.

The old Band B, reduced fee for a full service earlier in the day, would become Band C at 9.10am, 9.30am and 9.50am. By continuing to offer this reduced fee, it offers an incentive to use underutilised times in the diary and offers a lower cost option to the bereaved.

Full Services from 10.10am onwards would be renamed Band D.

If approved, opportunities to provide the full range of Direct Cremation Services for constituents should be secured.

4.4 Introduction of new Fees and Charges

It is recommended that the Crematorium introduce a new fee for the cancellation of a cremation service time within two working days of the appointment of £100.00. This charge would be made at the discretion of the Manager and only if an unavoidable cancellation. Most crematoria make similar charges.

It is recommended that the Crematorium introduce a new 'Out of Time Penalty', applicable if the following cortege is kept waiting (but remitted to the waiting family) of £100.00. Most crematoria also make similar charges, and the fee would be applied only if unavoidable (e.g., not made during extreme weather disruption or following the illness of a person attending the funeral).

4.5 Competition and Markets Authority

Members may recall from previous meetings that the Competition and Markets Authority (CMA) launched a study into the funerals market in the UK. A link to the Final Report Summary can be found below. Due to the impact and consequences of Covid-19 on the funeral sector, it was recommended that the CMA should consider another future market investigation when the sector is more stable.

The Manager has taken the opportunity in the Fees and Charges Report to ask Members to bear in mind that further protections could include, if appropriate, price regulation remedies.

https://assets.publishing.service.gov.uk/media/5fdb24dd8fa8f54d564af127/Final_report_summary.pdf

4.6 Memorialisation Fees

Fees for memorialisation had not seen an increase for 5 years before the 2021 fees were set. The freeze was made in an attempt to offset the increasing number of cremated remains that leave the crematoria and the loss from the aesthetic value that memorials add.

However, suppliers have continued to increase their costs (e.g., to supply marble, inscriptions, roses and trees) and it is therefore recommended that an increase of between 6%-10% is implemented for 2022/2023.

The Manager has conducted a review of the costs of providing memorials for the bereaved and whilst we know that all costs have increased, some more dramatically than others. For example, the cost of timber/benches, marble and granite has increased more than the costs of producing a Book of Remembrance Entry. Therefore, a blanket approach has not been taken on Memorial Increases, rather according to the cost of providing individual memorials.

5.0 Implications for consideration – Financial and value for money

The fees have been based on a robust estimate of the impact of cost increases and demand within the services and the Committees overall financial position. This includes assessing the affordability of any of these increases to our residents and customers. Cost pressures and changes in demand include:

- Increases in energy costs
- Inflationary increases (October CPI 11.1%) resulting in increases in supplier costs and materials and in Cremator Maintenance Costs
- NJC Pay Claim for 2022-23 which has resulted in a higher than budgeted for pay increase for staff and a higher than anticipated budget for the 2023-24 Pay Claim
- A possible reduction in cremation numbers after excess deaths during the Covid 19 Pandemic

It is estimated that, should the recommended Fees and Charges be approved, an additional £150,000 income will be raised in the 2023/24 Financial Year. The Standard Cremation Fee would raise by around 10% from £830.00 to £905.00.

The Fee of £905.00 will still be lower than a number of other local crematoria who are expected to increase their costs in April 2023. It is expected that the new fee will be around the Regional and National Averages once other authorities have amended their fees.

Report author	
Bereavement Services Manager Committee Treasurer	
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix 1	Fees and Charges Table
Appendix 2	Comparison Table