

Mountsett Crematorium Joint Committee

31 January 2019

Fees and Charges 2019/20



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. This report sets out details of the proposed fees and charges for Mountsett Crematorium for 2019/20.

Background Information

2. In reviewing existing charges or setting new charges inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc need to be fully taken into consideration.
3. The impacts of decisions made by the Central Durham Crematorium Joint Committee also need to be carefully considered. Members of the Joint Committee will recall that following Local Government Review in 2009 the fees and charges at the Mountsett Crematorium were harmonised with the charges at the Central Durham Crematorium. The cremation fees and charges were increased in 2018/19 by £30 (4.6%).

Fees and Charges 2019/20

4. The inflationary and cost pressures facing the crematorium along with the views of the Bereavement Services Manager with regards to the local market and customer impact from any proposed increase, benchmarking data on the charges levied in other neighbouring facilities, plus the fact that the crematorium has recently undertaken a major refurbishment are key factors in considering any increases in charges for 2019/20.
5. The current Medical Referee fee of £20 has not been reviewed since Local Government Reorganisation in 2009 and the medical practitioners have asked for a review due to difficulties covering their rota. £16.50 of the fee is paid to the medical practitioners and £3.50 is retained for administration at the Crematorium.
6. It is proposed to increase the Medical Referee fee to £30 from 2019/20 with £26.50 being paid to the medical practitioners and £3.50 retained for administration costs.

7. Taking the above into consideration, particularly the increase in Medical Referee costs and the above inflation increase in 2018/19, it is proposed that there is a £20 (2.9%) increase to the current cremation fees and charges for 2019/20.

Cremation Charges

8. The projected number of cremations in 2018/19 is 1,405 which is 9 more than the number of cremations delivered in 2017/18 and 105 higher than the budgeted position of 1,300. For 2019/20 budget setting purposes it has been assumed there will be 1,300 cremations next year – a prudent estimate.
9. The current 2018/19 fees and charges for the other neighbouring crematoria across the region, including the average total charge levied, is attached at Appendix 3, which indicates an average cremation fee of £779 (inclusive of medical referees fees and environmental surcharge). Increasing the current charges by £20 will mean that the total cremation fees levied for the Mountsett Crematorium in 2019/20 (inclusive of medical referee fees) will increase to £700 - £79 below the average charges levied across the region.
10. The table below shows the extra income that would be received with varying levels of cremation numbers and fee increases. The £20 increase for 1,300 cremations is expected to generate an additional £26,000 income, which is partially offset by £13,000 additional Medical Referee fees to pay to the medical practitioners.

No of Cremations	Increase in Fees £				
	£10	£20	£30	£40	£50
1,300	13,000	26,000	39,000	52,000	65,000
1,325	13,250	26,500	39,750	53,000	66,250
1,350	13,500	27,000	40,500	54,000	67,500
1,375	13,750	27,500	41,250	55,000	68,750
1,400	14,000	28,000	42,000	56,000	70,000

11. In terms of the charging policy for child cremations, it is proposed to retain the NIL fee. Members will see from Appendix 3 that neighbouring crematoria charges for these services range from £0 to £300.
12. It is proposed to introduce new charges from 2019/20 for the following:
- Direct Cremation – Attended (No service) £590
 - Direct Cremation – Unattended (No service) £450
 - Service exceeding allocated time by 10 minutes or more £50
 - Service cancellation (less than 48 hours notice) £250
13. All other fees and charges at the Crematorium are proposed to remain at the same levels as 2018/19.

14. A full schedule of the proposed fees and charges for Mountsett Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for Members' information.

Recommendations and Reasons

15. It is recommended that:

- Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2019, which seeks to increase the cremation by £20 (2.9%) per crematorium from £680 to £700.
- The proposed fees and charges are incorporated into the 2019/20 budget.

Background Papers

2018/19 Budget and Financial Monitoring Reports
2019/20 Budget Working Papers

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Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for Mountsett Crematorium is included at Appendix 2. These proposals have been factored into budget proposals for 2019/20.

Staffing

There are no staffing implications associated with this report.

Risk

The sensitive pricing of services is essential to maintain the competitiveness and reputation of Mountsett Crematorium in the current economic climate. The proposed standstill in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets. Charging information will be publicised in advance and communication carefully handled.

Equality and Diversity/Public Sector Equality Duty

The proposals set out in this report are based on a harmonised fees and charges policy with the Central Durham Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

None

Consultation

None. However, officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None