

Central Durham Crematorium Joint Committee



26 January 2011

Fees and Charges 2011/12



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out details of the proposed fees and charges for the Central Durham Crematorium for 2011/12.

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. Members of the Joint Committee will be aware that with effect from 4 January 2011, the VAT rate was increased from 17.5% to 20%. Whilst this does not directly impact on Cremation Fees (which are not a business supply for the purposes of VAT), entries into the Book of Remembrance and the purchase of Memorials such as the leasing of seats, the purchase of columbaria units, plaques and vases are affected by the VAT increase. If these charges are not reviewed, to pass the VAT increase onto the customer, then the service will face a 2.5% cut in its income from these activities.

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4. The proposals for 2011/12 have been developed taking into consideration the views of the Superintendent and Registrar with regards to the local market and customer impact from any proposed increase, together with benchmarking data on the charges levied in other neighbouring facilities.
5. The proposals have also been developed in the context of the forthcoming Cremator Replacement and associated Redevelopment Works, and whilst it is anticipated that such works should cause little, or no disruption to crematorium service and its users (the crematorium will be fully operational throughout the construction period), it is

acknowledged that the fees and charges increase should be kept to a minimum to reflect the ongoing works.

6. Taking the above into consideration, the following revisions to the current fees and charges are proposed for 2011/12:

Cremation Charges

7. Adult Cremation fees are increased by 2.5% to £410 in 2011/12. This results in an increase of £10 per adult over the age of 16 years. Fees levied for 2011/2012 (inclusive of medical referees and environmental surcharge) are therefore proposed at £480.

Book of Remembrance

8. As a result of both the VAT change and increased calligraphy costs, the charge for entries into the book of remembrance is proposed to increase from £36 to £38. This increase consists of 2.5% relative to VAT, and a 3% increase in relation to actual fees. Based on an average of 790, 2 line entries per annum, it is anticipated that income will total £25,000 plus VAT. Should the VAT increase not be reflected in the charges then income receivable by the Joint Committee during 2011/12 would reduce by an estimated £625.

Masterplan renewals

- 9 In April 2011, the Memorial Walled Gardens will have been operational for ten years resulting in a number of memorial plaques now requiring renewal.
- 10 It is proposed that renewal fees, equal to 50% of the proposed 2011/12 Vase block and plaque lease fees, are introduced, resulting in an estimated £17,000 (plus VAT) additional income in 2011/12.

VAT only Implications

- 11 It is proposed that all other fees and charges will remain as 2010/11, unless they are subject to VAT. The following elements are proposed to increase only by 2.5% to reflect the VAT increase:
 - Leasing of Memorial Seats
 - Columbaria Units
 - Plaques
 - Vases
12. If the VAT was not passed on, then income receivable by the Joint Committee during 2011/12 would reduce by an estimated £1,500.
13. A full schedule of the proposed fees and charges for the Central Durham Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for members' information. As can be seen, the Central Durham Crematoria charges compares well and (even factoring in the 2011/12 proposed increases) is at the lower end in relation to the neighbouring crematoria, most of whom, at this time, have not yet finalised their fees and charges proposals for 2011/12.

Recommendations and reasons

14. It is recommended that:-

- Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2011;
- Members of the Joint Committee approve the increase in pricing for memorials and inserts to the Book of Remembrance in line with the VAT increase and that this is implemented with effect from 1 February 2011; and
- All approved fees and charges are incorporated into the 2011/12 budget.

Background Papers

2010/11 Budget and Financial Monitoring Reports

2011/12 Budget Working Papers

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Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for the Central Durham Crematorium is included at Appendix 2. These proposals have been factored into budget projections for 2011/12.

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 the Central Durham Crematoria in the current economic climate. The proposed increases 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 CDCJC, should ensure risk is minimised with regards to the achievement of the income budgets. Increases will be publicised in advance and communication carefully handled

Equality and Diversity

The proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett 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

Officers of Spennymoor Town Council were consulted on the contents of this report.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None