

Mountsett Crematorium Joint Committee

27 January 2012

Fees and Charges 2012/13



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 Mountsett Crematorium for 2012/13.

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.

Fees and Charges 2012/13

3. The proposals for 2012/13 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.
4. Taking the above into consideration, the following revisions to the current fees and charges are proposed for 2012/13:

Cremation Charges

5. Adult Cremation fees are increased by 4.88% to £430 in 2012/13. This results in an increase of £20 per adult over the age of 16 years. Fees levied for 2012/13 (inclusive of medical referees and environmental surcharge) are therefore proposed at £500.

Book of Remembrance

6. As a result of increased calligraphy costs, the charge for entries into the book of remembrance is proposed to increase by 31.58% in relation to actual fees. This represents a monetary increase from £38 to £50, based on an average 2 line entry.

Pre Payment Cremation Bond

7. Members will recall initial consideration of the Mountsett Crematorium Pre Payment Cremation bond at the 30 September 2011 meeting. Whilst discussions remain ongoing, and subject to registration with the FSA, the prepayment bond is proposed to be sold at a premium to the standard cremation charges in consideration of its future value. The proposal is £100 above the 12/13 total cremation fees (which as highlighted above, are proposed at £500) plus a £20 administration fee which equate to a 20% premium during 2012/13.
8. The 2012/13 budget does not take into consideration any estimated potential sales, however following FSA and member approval, a `cash paid` earmarked reserve will be established to protect from the redemption of bonds in the future and the potential reduction of ongoing revenue.
9. The level of premium will be closely monitored in line with the Prepayment Bond Scheme Risk Assessment (reported earlier in the agenda) to ensure future inflationary factors are taken into consideration.

Memorial Garden Plaques

10. Members will recall via the Superintendent & Registrar Report at the 29th July meeting consideration was given to a potential Memorial Garden within the Mountsett Crematorium Grounds. Details of the memorial plaques were distributed during the first week in January to recently bereaved families.
11. In conjunction with the Central Durham Crematorium Joint Committee the fees proposed for memorial plaques are £304 (inc. of VAT, plus the cost of the plaque)
12. Whilst these initial steps have been undertaken, it is the view of the Superintendent & Registrar not to factor any potential sales from the memorials into the 2012/13 income budget. It is considered that potential take up is difficult to forecast currently as a result of not having any facilities for such memorials previously. The net proceeds from any memorial sales will increase reserve levels in the interim. This treatment will be reviewed mid- year.
13. A full schedule of the proposed fees and charges for the Mountsett Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for members' information. As can be seen, the cremation fees compare well and (even when factoring in the 2012/13 proposed increases) are still the lowest in relation to the neighbouring crematoria, some of whom, at this time, have not yet finalised their fees and charges proposals for 2012/13.

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 2012;

- Members of the Joint Committee approve the increase in pricing for inserts to the Book of Remembrance with effect from 1 February 2012;
- Members note the proposed treatment of the Cremation Prepayment bond income (subject to FSA approval);
- All approved fees and charges are incorporated into the 2012/13 budget.

Background Papers

2011/12 Budget and Financial Monitoring Reports
2012/13 Budget Working Papers

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Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for the Mountsett Crematorium is included at Appendix 2. These proposals have been factored into budget projections for 2012/13

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 Mountsett 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 Mountsett Crematorium Joint Committee, 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/ 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