

Mountsett Crematorium Joint Committee

4 February 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 Mountsett 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 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.

Fees and Charges 2011/12

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

Cremation Charges

6. 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 2011/12 (inclusive of medical referees and environmental surcharge) are therefore proposed at £480.

Book of Remembrance

7. 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 equates to a 5.5% increase, 2.5% of which relates to VAT. Based on an average of 515, 2 line entries per annum, it is anticipated that income will total £16,300 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 £407.50.
8. 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 Mountsett 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

9. 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 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

Contact(s): Paul Darby 0191 383 6594

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 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 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

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 Gateshead Council were consulted on the contents of this report.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None