

Mountsett Crematorium Joint Committee

30 January 2014

Fees and Charges 2014/15



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 Mountsett Crematorium for 2014/15.

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.

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3. The inflationary and cost pressures facing the crematorium along with the views of the Bereavement Services Manager with regards to the local market (including harmonisation with Durham Crematorium) and customer impact from any proposed increase and 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 2014/15:-

Cremation Charges

5. At the September 2013 meeting, a Fees and Charges Strategy options report was presented to members for consideration. Members resolved to increase charges in line with the regional average. The information available at that point suggested a total average cremation fee of £620 (inclusive of medical referee fees)
6. Proposed 2014/15 fees and charges have now been received from the neighbouring crematoria benchmarking group and as a result, it is proposed that Adult Cremation fees are increased to £610 in 2014/15 (15%). This results in a monetary increase of £80 per adult over the age of 16 years. Total cremation fees levied for 2014/15 (inclusive of medical referee fees) are therefore proposed at £630. The benchmarking group details on which the average calculation is based is attached at Appendix 4.

7. The proposed increase considers a requirement to build up reserves in order to ensure sufficiency to fund future capital works (as highlighted previously in the Service Asset Management Plan reported to members at the October 2013 meeting).
8. In order to maximise the cremation service, members may also wish to consider a discounted price in relation to the currently underutilised 9am and 9.30am appointments. It is proposed to offer these times at a total fee (inclusive of medical referee fees) of £580 to service users after all other appointments have been filled.
9. The discount will be applicable to approximately 300 available appointments. It should be noted however that the working practices within the Crematorium would need to be amended in order to ensure revenue is maximised. Early appointments will need to be offered only when all other appointments have been filled in order to mitigate any financial risk to the Crematorium. Without a carefully managed process in place the Joint Committee may potentially see a £15,000 reduction in income.
10. This proposal has not been factored into the 2014/15 budget, rather members are asked to consider a pilot operation during the first 6 months of the year to assess any potential increased revenue as a result of amended working practices.
11. It is proposed to retain the NIL charging policy for child cremations. Members will see from Appendix 3 that neighbouring crematoria charges range from £0 to £190.

Book of Remembrance

12. There is no proposed increase to the Book of Remembrance fee for 2013/14.
13. 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. As can be seen, the cremation fees continue to compare well in relation to neighbouring crematoria, indicating a mid price range position within the benchmarking group.

Recommendations and Reasons

10. It is recommended that:-
 - Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2014
 - All approved fees and charges are incorporated into the 2014/15 budget.

Background Papers

2013/14 Budget and Financial Monitoring Reports
2014/15 Budget Working Paper

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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 2014/15.

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 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 Mountsett Central 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