

<b>Committee(s)</b>	<b>Date:</b>
<b>Port Health &amp; Environmental Service</b> Committee name Committee name	20 January 2021
<b>Subject: Cemetery and Crematorium Fees and Charges 2021/22</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 4, 11, 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Director of Open Spaces</b>	<b>For Decision</b>
<b>Report author: Gary Burks, Superintendent Cemetery &amp; Crematorium</b>	

### Summary

Fees and charges for the services provided at the City of London Cemetery and Crematorium are reviewed annually and this report presents the proposals for 2021/22.

The report proposes price increases of 5% for cremations and new graves a rounding or increase of 1.3% on interment fees and most other items and services such as grave permits and urns and caskets. It is proposed that no increase is made on memorial garden dedications, book of remembrance and grave care. The Cemetery & Crematorium continues to offer a wide range of cremation and burial options to ensure that both services cater to a range of needs and budgets.

The report also proposes the introduction of a fee for the live streaming of cremations in the two largest chapels at the modern crematorium building. If agreed, this fee will take effect from the 1<sup>st</sup> February 2021.

The proposed increases are set to help meet the 12% savings required in 2021/22, and help us in our aim to maintain a break-even position for the service and ensure our fees are in line with other providers in the local area.

### Recommendation(s)

Members are asked to

- Agree the fees and charges as set out in this report and shown in Appendix 1 for implementation with effect from 1 April 2021
- Agree the introduction of a funeral streaming fee as detailed in paragraph 13 (from 1<sup>st</sup> Feb 2021).

## **Main Report**

### **Background**

1. The City of London Cemetery and Crematorium reviews the fees and charges that it makes for the services provided each year and the new fees come into force on the 1<sup>st</sup> April each year. This report sets out the proposed fees and charges for the year 2021/22 for your Committee's approval.

### **Current Position**

2. The strategy used when setting fees and charges in previous years has been to keep prices affordable, maintain choice and increase income to meet the needs of the service and operate as close to a break-even position as possible. Last year fees were increased by 4.5% for cremations, 5% for new graves, burials and 2.6% most other items and services such as grave permits, urns and caskets, memorial gardens and so on.
3. In setting fees in a competitive market, it is critical to consider those charged by our competitors. We have therefore reviewed the fees and charges amongst other authorities and private companies in the surrounding areas; details are given in tables 1 and 2 below.
4. Another factor that the cemetery and crematorium consider when setting fees is the affect that our charges place on funeral debt and funeral poverty. The CMA (Competition and Markets Authority) recently carried out a National questionnaire and follow-up questions based on the findings of an interim report in 2018 which highlighted significant concerns regarding price increases of funeral directors and crematoria over the last decade. It is likely that further investigations will follow, this work rather stalled in 2020 due to the pandemic. The cost of funerals has climbed significantly in recent years and the City of London Corporation has considered this when offering a range of funeral choices and in the setting of fees and charges. The City of London Corporation provides choice and prices to ensure that burial and cremation remains affordable.
5. The following tables provide analysis of cremation and lawn grave costs. These have been provided in detail as indicative benchmarks. A full list of all the proposed burial and cremation charges at the Cemetery & Crematorium is provided in appendix 1 and these include a wide variety of funeral options ranging from early morning "drop off" cremation slots with no service to longer weekend funeral times and from burial in a public or woodland grave through to large fully constructed graves with 100year leases. This wide range helps to ensure choice and that more affordable options remain despite price increases.

Table 1 – Cremation statistics and fees for other London Crematoria (Current Position)

Crematorium	Total Cremations 2017	Total Cremations 2018	Total Cremations 2019	Standard Cremation Fees (Current)
East London	451	499	538	£844
Manor Park	465	407	365	£875
Croydon	1772	1762	1661	£885
New Southgate	836	786	780	£925
South Essex	3211	3012	2955	£955
Enfield	1874	1879	1744	£949
Forest Park	1234	1312	1265	£970
Harlow	1719	1517	1485	£970
City of London	2474	2536	2374	£930
<b>City of London Proposed Fee for 2021/22</b>				<b>£976</b>
<b>City of London Residents receive a reduction of £488 on the above fees</b>				

Table 1 shows that the City's current cremation fee is competitive with most other local crematoria and that the proposed fee (an increase of 5%) is in keeping with fees within the general area and continues to provide value for money. The increase provides extra income to help meet the 12% saving required for the division. It should also be noted that several of our competitors increase fees in October and January but most wait for the City to set its fees and use them as a benchmark before setting their fees.

Table 2 – Residential and non-Residential Grave purchase and burial fees

Cemetery & Crematorium & Lease (in years)	New Lawn grave Resident & Non-Resident (including 1 <sup>st</sup> interment) 2020	Burial Fee (Current)
East London	Not publicly available	Not Publicly Available
Manor Park	£4,000	£1,715
Forest Park	(Res) £3,130 (Non-Res) £5,890	(Res) £800 (Non-Res) £1,150
South Essex	(Res) £3,520 (Non-Res) £7,040	(Res) £1,380 (Non-Res) £2,760
Enfield	(Res) £4,550 (Non-Res) £7,300	(Res) £1,800 (Non-Res) £1,800
Croydon	(Res) £4,725	(Res) £1,099

	(Non-Res) £8,803	(Non -Res) £1,551
New Southgate	Standard Grave £6,320 Heritage Grave £3,850 No non-res fees	£1,750 £2,890
City of London (Heritage Grave)	£3,718	£1,687
City of London (virgin soil) Lawn	£5,047	£1,687
<b>Proposed fee for 2020/21</b>	<b>Heritage £ 3,830</b> <b>Virgin Soil Lawn £5,240</b>	<b>£1,700</b>
	<b>City of London Residents receive a reduction of £488 on the above fees</b>	

Table 2 illustrates that there is a significant variation between fees, but the City of London Corporation remains in line with those of other nearby local cemeteries. The table also illustrates that our burial fees have become more expensive than many other competing cemeteries and we have therefore decided to round off the fee, increasing it by less than 1%.

6. The Cemetery still provides excellent value for burial due to its high maintenance standards and landscape value. Also, the City's development of grave reuse ensures that the cost of burial can remain reasonable.
7. Residents of the City of London currently receive a reduced rate for burial and cremation which amounts to half of the cremation fee (a maximum of £465 in 2020/21 and £488 in 2021/22).
8. A copy of the cemetery brochure showing the various burial options is available on request.

## Proposals

9. Having considered the information set out above and having consulted within the funeral industry and with cemetery staff, we believe that the market can withstand the price increases proposed in the following paragraphs and listed in Appendix 1
10. The general level of increase proposed is 5% for cremations and new graves with some rounding on other fees such as interments and ancillary services. In some instances, we have used the Department's recognised RPI figure of 1.3%. There is no increase for memorial gardens, book of remembrance and grave care. This will increase our cremation fee to £976 which will provide the income required to meet some of the 12% savings required next year. However, we do not envisage that this will affect our market share due to the level of service provided and the likely increases that will be made by our local competitors.
11. The No-Service or (drop off) cremation fee is higher than that of crematoria in the close surrounding area, therefore we have not recommended an increase for this offer and it will remain at £465.

12. Options such as early cremation services at a lower fee ensure that those families on low income can still choose the City of London as a choice for the funeral of a loved one and our fee of £465 for funerals with no service means that families choosing to have a funeral service elsewhere (at a local church for example) can do so. This means that our proposed cremation fees range from £465 up to £1400 for those with a full service in our chapel at the weekend.
13. A new fee that the City will introduce is the one for funeral streaming. Most crematoria who offer this service charge a fee of at least £76 and as much as £115. We propose an introductory fee of £65 for this service and feel that this will be attractive and meet all costs for arranging and providing the service whilst eventually meeting the installation costs.
14. Cremation memorialisation, such as the memorial gardens dedications, with a living memorial in the form of a rose or shrub and small bronze plaque has been in decline for the last 20 years and research shows that this is a national trend. We increased the fee for this choice last year by 2.6% and are this year proposing to freeze the fee at the 2020/21 price. Similarly, we propose no increase for grave care and book of remembrance entries.

## Options

15. **Option 1** - Agree the proposed scale of charges for the year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 as set out in the main list attached as Appendix 1 and explained within this report. **This is recommended.**
16. **Option 2** - To keep charges as they are. This would be in effect a price cut whilst inflationary increases would still apply to our own expenses. Additional income generation would not be achieved to help meet some of the required 12% savings in 2021/22. **This is not recommended**
17. **Option 3** - To increase fees and charges higher than those proposed in Appendix 1. This has the risk of putting our fees and charges in the upper / higher end of the market and make us less competitive. This could result in a reduction in the number of burials, cremations and take up of other services provided at the Cemetery and Crematorium as families choose to go to cheaper neighbouring facilities. It could also contribute to funeral debt and funeral poverty. **This is not recommended.**

## Corporate & Strategic Implications

### Strategic implications

18. The Cemetery and Crematorium services actively contribute to the following Corporate Plan 2018-23 aims and outcomes:
  - Contribute to a flourishing society
  - Shape outstanding environments

## **Financial Implications**

19. The Cemetery and crematorium is expected to operate as a not for profit service, to meet all costs, where possible and in 2021/22 to find a 12% saving on expenditure. We will achieve this by introducing a new pricing plan and by a reduction in expenditure although the latter will result in a reduction in the quality of maintenance and the service provided to bereaved families. The proposed fees and charges should generate additional income of approximately £100,000.
20. Officers wish to remind this Committee that the services we provide are at the point of need and whilst we may retain our percentage share of the market, any regional trend in death rates may create unpredictability around the achievement of income.

## **Resource implications**

21. The recommendations in this report have no additional resource Implications

## **Legal Implications**

22. The City of London is empowered to make fees and charges for the services provided at the Cemetery and Crematorium under powers provided within Article 15(1) of the Local Authorities Cemeteries Order 1977 and section 9 of the Cremation Act 1902. Such fees must be properly incurred.

## **Risk implications**

23. The cemetery and crematorium business risks are not changed by the recommendations in this report.

## **Equalities implications**

24. The recommendations in this report should have no impact (positive or negative) on people protected by existing equality legislation – age, disability, gender reassignment, race, religion, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity.

## **Climate implications**

25. There are no climate implications from the recommendations in this report.

## **Security implications**

26. There are no security implications from the recommendations within this report.

## **Conclusion**

27. As the major provider of burial and cremation services for the City and its neighbours, the Corporation is recognised as one of the UK's leading burial and cremation authorities. In addition to meeting the needs of the bereaved, the City of London Cemetery and Crematorium is an historic and listed open space

(the largest in the London Borough of Newham) and one that was originally designed as both a park and an educational resource. The Cemetery and Crematorium is however also a business in competition with several local public and privately-owned operators.

28. The above factors have been considered in setting the fees and charges for the Cemetery and Crematorium for implementation in financial year 2021/22 which I propose for approval by your Committee.

## **Appendices**

Appendix (i) – main items of the Proposed Fees and Charges for 2021/21

### **Report author**

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