

Notice of Non-key Executive Decision

Subject Heading:	Increase to Bereavement Services Fees & Charges
Decision Maker:	Councillor Paul Middleton, Cabinet Member for Digital, Transformation & Customer Services.
Cabinet Member:	Councillor Paul Middleton, Cabinet Member for Digital, Transformation & Customer Services.
ELT Lead:	Kathy Freeman, Strategic Director Resources
Report Author and contact details:	Louise Roast, Assistant Director Customer, Registration & Bereavement Services Louise.roast@havering.gov.uk
Policy context:	Charging for Services
Financial summary:	The decision supports income generation for the Council's Bereavement Service.
Relevant OSC:	
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place. X

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval from the Cabinet Member for Digital, Transformation & Customer Services to:

- Approve the in-year increase of cremation fees within Bereavement Services, to take effect from 1st November 2024.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution: Part 3 – Responsibility for functions

Corporate Functions of Cabinet

2.5 The following Functions may be delegated to individual Cabinet members by the Leader.

- (x) To approve all in year changes to both fees and charges.

STATEMENT OF THE REASONS FOR THE DECISION

The Council's Bereavement Services wishes to increase Cremation fees effective from 1 November 2024, the background and reasons for this decision are outlined below.

Bereavement Services are responsible for the running of the South Essex Crematorium and 4 Cemeteries based at Upminster, Romford, Hornchurch and Rainham; for the maintenance and upkeep of extensive memorial grounds and visitor facilities and the selling of a wide range of memorial products.

South Essex Crematorium has seen a decline in demand for cremation services since the Covid 19 pandemic, demonstrated in the table below:

Financial Year	Volume
2019/20	2967
2020/21	3498
2021/22	2878

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2022/23	2872
2023/24	2445
Predicted 24/25	2262

The decline is consistent with feedback from across the funeral industry including our main stakeholders (Funeral Directors) who report that they are much quieter than normal. As well as possible post-pandemic impact, there are also social factors such as rising incomes, social programs to improve health and reduction in smoking which could be contributing, as well as a rise in popularity of the option of a 'direct' cremation (whereby deceased are taken to a central location outside of the borough and ashes returned to their families, with no traditional funeral service taking place).

Whilst the lower number of deaths is positive there is a negative financial impact on the revenue budget. To put that into context the service is currently forecasting an under achievement of income against the income budget for cremations of £0.290m and the service has been seeking ways to help mitigate this impact. Following a recent benchmarking exercise, the service is therefore recommending a fee increase on cremation charges, to help address this and other inflationary pressures, including rising costs of energy. The recommendation is to increase fees as follows:

Current fee for adult cremation	Proposed new Fee
£1,060 fee for a 40-minute service in the East Chapel	£1,175
£1,115 fee for a 60-minute service in the South Chapel	£1,220

A recent benchmarking exercise demonstrates the above proposed fees will keep us in line with the market, albeit at the top end. For example, Bentley crematorium currently charge £1,220, Forest Park £1,170 and Basildon £1,195 all for an hour long service. The proposed new fees are considered justifiable given the facilities on offer at the South Essex Crematorium in that we have 2 chapels both which have provision to offer visual tributes, well established and maintained memorial grounds and a Café on site which many other Crematoriums don't. We know from feedback that Funeral Directors also welcome the two price options we can offer – one slightly cheaper for our smaller chapel, a welcome alternative for those with a smaller number of mourners.

It is felt the above proposed increase on fees (which represent an average 10% increase) are fair and justifiable in these current challenging economic times. It is predicted the proposed increase would generate an estimated additional £0.100m to help the revenue position in 24/25.

OTHER OPTIONS CONSIDERED AND REJECTED

Not increasing cremation fees has been considered and rejected due to the negative financial impact it would have on the budget. Not increasing cremation fees has been considered and rejected due to the negative financial impact it would have on the budget. Increasing the fees by a higher percentage was considered but rejected because it could significantly deter customers, leading to a further decline in demand and potentially exacerbating the revenue shortfall.

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PRE-DECISION CONSULTATION

Councillor Paul Middleton, Cabinet Member for Digital, Transformation & Customer Services.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Louise Roast

Designation: Assistant Director, Customer, Registration & Bereavement Services

Signature:



Date: 08.10.24

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Generally and in terms of charges, the Local Authorities have the power to charge for discretionary services as per Section 93 of the Local Government Act 2003.

Under Section 214 of the Local Government Act 1972, the Council as a Local Authority can provide burial services (burial authority). Additionally, the Local Authorities' Cemeteries Order 1977 (1977 Order) has added functions with respect to cremation to the functions of burial authorities. Therefore, the above regulations can confirm that the Council has such power to provide cremation services.

As per Section 15 of the 1977 Order, burial authorities have the power to charge such fees as they think proper:

- a) for or in connection with burials in a cemetery;
- b) for any grant of a right to place and maintain a tombstone or other memorial in a cemetery otherwise than in a chapel provided as mentioned in article 6(1)(b);
or
- c) for any grant of a right to put an additional inscription on such a tombstone or other memorial.

Moreover, as per Section 9 of the Cremation Act 1902, a burial authority may demand payment of (any such) charges or fees, for the burning of human remains in any crematorium provided by them, as may be authorised by any table approved by the Local Government Board, and such charges or fees, and any other expenses properly incurred in or in connection with the cremation of a deceased person, shall be deemed to be part of the funeral expenses of the deceased.

Generally, Section 111 of the Local Government Act 1972 allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, or through its general power of competence. Additionally, through its general power of competence under Section 1 of the Localism Act 2011, the Council can do anything that individuals generally may do, subject to statutory limitations.

For the reasons set out above and throughout the report, the Council may proceed to the increase of fees for their cremation services.

FINANCIAL IMPLICATIONS AND RISKS

This report is seeking approval to increase cremation fees to mitigate a forecasted revenue shortfall of £0.290m due to declining demand. While this increase aims to address inflationary pressures and rising operational costs, it carries the risk of potentially deterring some customers to other crematoriums or to the other cheaper package, which could further impact income negatively.

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The benchmarking exercise suggests the council's proposed fees and charges are comparable and does not indicate that the council will be the most expensive.

If demand for cremation services reduces as a result of the fee increase, there is a risk that the additional income will not materialise or will only be partially realised. For instance, if the increase in fees results in a 10% reduction in demand, the Council would only generate £0.090m instead of the projected £0.100m. However, the increase in fees and charges is deemed necessary to address inflationary pressures and rising operational costs.

Additional Considerations:

Cost Structure: Some of the Service costs are fixed, such as cremation visual tributes, while other costs such as grounds maintenance, supplies, planting and equipment are variable,

Energy Costs: Despite the service performing fewer cremations, this has not resulted in reduced gas usage benefits due to increase in gas prices.

Light Option Fee: Increasing the fee for the unattended service (currently £0.006m) is not viable as it is already overpriced compared to neighbouring crematoriums, leading to very few customers opting for this service.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed

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to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this is/isn't required/attached

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are /are not equalities and social inclusion implications and risks associated with this decision.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental or climate change implications to the increase of fees.

BACKGROUND PAPERS

None

APPENDICIES

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed
Paul Middleton

Paul A Middleton

Name: Paul Middleton

Cabinet Portfolio held: Digital Transformation, IT and Customer Services

CMT Member title:

Head of Service title

Other manager title:

Date: 8/10/24

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____