

**Report of Treasurer of Joint Crematorium Committee
To
Mansfield and District Joint Crematorium Committee
On
9 December 2019**

ANNUAL REVIEW OF FEES AND CHARGES FOR 2020/2021

1. SUMMARY

- 1.1 This report shows the proposed fees and charges to be introduced from 1 April 2020 to 31 March 2021.

2. RECOMMENDATIONS

To be resolved:

- i). That the proposed cremation fee as shown in table 2 for the period 1 April 2020 to 31 March 2021 be approved. The fee proposed for 2020/2021 is £778, which is an increase of £58 (8%) on the 2019/2020 cremation fee. The medical referee fee £18.50 will be added to these proposed cremation fees.
- ii). That the proposed cremation fees as shown in table 2 for 2021/2022 and 2022/2023 be approved in principle. The fees proposed are: 2021/2022 £817 and for 2022/2023 £859, being an increase of 5% in both years. The medical referee fee £18.50 will be added to these proposed cremation fees.

3. BACKGROUND

- 3.1 The fees and charges as set out in Appendix 1 show the proposed fees and charges for 1 April 2020 to 31 March 2021.
- 3.2 In 2019/2020 the main cremation fee was increased by 5%. This report recommends that the basic cremation fee is increased by 8% in 2020/2021. This is 3% higher than the proposed 5% increase that was previously approved in principle. It is proposed (in the Revenue and Capital Budget 2020/2021-2022/2023 Report, also on this agenda) that the income from the additional 3% increase is to be transferred to the usable reserves Capital Fund, to contribute towards financing future works required to the Crematorium building and major assets as part of the Planned Preventative Works Programme.
- 3.3 The options for adjusting fees and charges comprise:
- Increase to cover a general inflationary increase
 - Increase to cover a specific inflationary increase
 - Increase or decrease to achieve the Committee's priorities

- Change to reflect market conditions
- Change to reflect actual cost of service
- Change to generate additional real income

Where there has been a change in the level of fees and charges, the basis (as per the above list) has been identified in Appendix 1.

- 3.4 Charges are generally rounded to the nearest 50 pence or £1. This is particularly relevant where customers pay in cash.
- 3.5 The fees and charges put forward have been used in calculating the proposed budgets for 2020/2021 and changes to this would result also in changes to those budgets.
- 3.6 The Consumer Price Index (CPI), which provides the measure for inflation, was at 1.5% at October 2019. The Bank of England Inflation Report (May 2019) shows that there is an expectation from the Bank of England that inflation will hover around the target level of 2% over the medium term. If the UK leave the EU without a deal then there is a possibility that inflation could rise significantly as the cost of importing goods from the EU becomes more expensive.
- 3.7 Growth across the UK has been volatile during 2019, largely due to Brexit-related effects. The first quarter of 2019 saw growth at 0.5%, although quarter two growth is projected to have been significantly weaker. The Office of Budgetary Responsibility projection is that Gross Domestic Product (GDP) growth in 2019 will drop back to 1.2% from 1.4% in 2018. For the period covered by the budget, growth is expected to rise slightly to 1.4% into 2020 before steadily increasing to 1.6% in 2021 and staying at this level until at least 2023.
- 3.8 Table 1 below compares the 2019/2020 adult cremation fees including the medical fee for the crematoria in our region and the number of cremations undertaken in the 2017 and 2018 calendar years:

Table 1

Crematorium	Adult Cremation Fee including Medical Fee for 2019/2020	Number of Cremations 2017	Number of Cremations 2018
Bramcote	£712.00	2,762	2,639
Derby	£737.00	2,652	2,593
Mansfield	£738.50	2,501	2,371
Wilford Hill - Nottingham	£744.00	1,839	1,816
Gedling (opened Jan 17)	£745.00	998	1,371
Chesterfield	£750.00	2,339	2,174
Babworth - Retford (opened Aug 18)	£794.00	0	234
Barnaby Moor - Retford (opened Feb 19)	£795.00	0	0
Amber Valley - Swanwick	£850.00	1,346	1,489
Grantham	£999.00	1,154	1,127
Sherwood Forest - Ollerton	£999.00	1,131	1,048
TOTAL Number of Cremations		16,722	16,862

Within the local area the Mansfield and District Crematoria is the third lowest in price for an adult cremation fee including medical fee for 2019/2020. The graph in Appendix 2 compares the cremation fees including medical fees for 2019/2020 for local crematoria.

- 3.9 Data obtained from the Cremation Society as at 1 January 2019 states that of the 299 Crematoria in the UK, Mansfield is the fifty fifth lowest in price for a basic cremation (forty sixth lowest at 1 January 2018).
- 3.10 Table 2 below shows the recommended increase for basic cremation fees by 8% in 2020/2021 and 5% in 2021/2022 and 2022/2023.

Table 2

	Approved 2019/2020 £	Proposed 8% increase 2020/2021 £	Estimate assuming 5% increase	
			2021/2022 £	2022/2023 £
Cremation fee	720.00	778.00	817.00	859.00
Medical referees fee	18.50	18.50	18.50	18.50
TOTAL FEE	738.50	796.50	835.50	877.50

- 3.11 The basic cremation and medical referee's fee for an adult cremation proposed for 2020/2021 is £796.50, which is an increase of £58 (8%) on the 2019/2020 approved fee.
- 3.12 Table 3 below shows alternative percentage increases to the basic adult cremation fee for 2020/2021 and the additional forecasted income that the higher percentage increases would generate.

Table 3

	Percentage increases to the 2019/2020 Cremation Fee			
	5%	8%	10%	17.25%
Basic Adult Cremation Fee	£756.00	£778.00	£792.00	£844.20
Forecasted Number of Cremations	2100	2100	2100	2100
Forecasted Cremation Fee Income	£1,587,600	£1,633,800	£1,663,200	£1,772,820
Forecasted Additional Income if % Rise Increased	-	£46,200	£75,600	£185,220

3.13 An assessment of required planned preventative works programme for the Crematorium and other major assets has been undertaken and shows that over the next 20 years a total of £3,140,207 is required to keep the Crematorium operational. Increasing the proposed fee by 8% would allow the additional 3% to be put to the Capital Fund to help meet the capital requirements over the next 2 years. However, to meet the £3,140,207 over the next 20 years without an impact on the revenue budget and distributed surplus fees would need to be increased by 17.25% in 2020/2021. This would put £185,000 per annum into the Capital Fund until 2029/2030 and then the contribution could be reduced to £140,000 per annum until 2038/2039. The Revenue and Capital Budget 2020/2021-2022/2023 Report recommends that a working group be set up to assess the options in respect of how the Planned Preventative Works Programme is funded.

3.14 The income received from the basic cremation fees for the financial years 2016/2017 to 2019/2020 (forecast) is shown in table 4 below:

Table 4

Year	Basic Adult Cremation Fee	Number of Cremations April to March per annum	Income Received	Annual Increase	Annual Increase
2016/2017	£605.00	2,623	£1,579,183	£178,477	12.3%
2017/2018	£635.00	2,514	£1,588,048	£8,865	0.4%
2018/2019	£686.00	2,235	£1,526,370	-£61,678	-4.1%
2019/2020 forecast	£720.00	2,200	£1,584,000	£57,630	3.6%

Please note that the income received figures and number of cremations data in table 4 are for all the different cremation fees available and not just the basic adult cremation fees.

3.15 Table 5 below shows the basic cremation fee proposed for 2020/2021 to 2022/2023 and the forecast income. The number of cremations forecast from 2020/2021 onwards has been reduced from 2,400 to 2,100 per annum to reflect current throughput data.

Table 5

Year	Basic Adult Cremation Fee Proposed	Increase in Cremation Fee	Number of Cremations	Annual Income Forecast
2020/2021	£778.00	£58	2,100	£1,633,800
2021/2022	£817.00	£39	2,100	£1,715,700
2022/2023	£859.00	£42	2,100	£1,803,900

It is proposed within the Capital and Revenue Budget 2020/2021 to 2022/2023 that the additional 3% increase in 2020/2021 to be moved to

the Capital Fund which amounts to £46,200 annually as shown in table 6 below:

Table 6

	Year	Year	Year
	2020/2021	2021/2022	2022/2023
Prior Year Fee	£720	£778	£817
5% fee increase	£36	£39	£42
3% fee increase	£22	£0	£0
Total Increase	£58	£39	£42
Proposed Fee	£778	£817	£859
Cremation Fee income based on 2100 funerals	£1,512,000	£1,587,600	£1,669,500
5% Cremation Fee Increase - Revenue	£75,600	£81,900	£88,200
Total Cremation Fee Revenue Income	£1,587,600	£1,669,500	£1,757,700
3% Cremation Fee Increase - Reserve Capital Fund	£46,200	£46,200	£46,200
Total Cremation Fee Income	£1,633,800	£1,715,700	£1,803,900

3.16 During January to December 2018 Mansfield Crematorium carried out 2,371 cremations, ranking it the thirty ninth highest of the 299 Crematoria operating throughout the UK (Thirtieth highest in 2017).

4. OPTIONS AVAILABLE

Amendments to the proposed fees and charges can be suggested. However, the impact on the proposed revenue and capital budgets for 2020/2021 – 2022/2023 and the reserves of the JCC needs to be considered.

5. RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS

Risk	Risk Assessment	Risk Level	Risk Management
Financial -That the figures contained within the proposed fees and charges are inaccurate	That the calculations have been made incorrectly. There is a great deal of work involved in bringing the information together and errors may occur	Medium	A quality check is undertaken throughout the process and errors identified.
Reputational – That the proposed fees damage the reputation of the Joint Crematorium Committee	Work is undertaken to review all UK crematoria fees and annual increases and as well as those Crematoria operating within our region.	Low	The proposals are in line with the Joint Crematorium Committees corporate priorities

6. ALIGNMENT TO COMMITTEES PRIORITIES

This report is directly aligned to ensuring effective management of the Crematorium.

7. IMPLICATIONS RELATING TO RELEVANT LEGISLATION

- (a) Relevant Legislation: No direct impact
- (b) Human Rights: It is not considered that individual human rights will be infringed.
- (c) Equality and Diversity: No direct impact.
- (d) Climate change and environmental sustainability: The Environmental Permitting (England and Wales) Regulations 2017 – the Environmental Protection (England) (Crematoria Mercury Emissions Burden Sharing Certifications) Direction 2010.
- (e) Crime and Disorder: No direct impact.
- (f) Budget / Resources: The income anticipated from the proposed fees and charges will be included in the 2020/2021 revenue budgets. The impact of any amendments will be assessed.

8 CONSULTATION

The proposals have been provided by the Director and Registrar of the Mansfield & District Crematorium.

9 BACKGROUND PAPERS

Comparison fees and charges and number of cremations carried out have been obtained from the Cremation Society.

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Cremation Fees including Medical Fees - April 2019 to March 2020

Appendix 2

