

21 December 2018

RUGBY AND DAVENTRY CREMATORIUM JOINT COMMITTEE – 8 JANUARY 2019

A meeting of the Rugby and Daventry Crematorium Joint Committee will be held at 10.00am on Tuesday 8 January 2019 in Committee Room 2 at the Town Hall, Rugby.

Adam Norburn
Executive Director

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Minutes – to approve the minutes of the meeting held on 25 September 2018.
2. Apologies – to receive apologies for absence from the meeting.
3. Declarations of Interest.

To receive declarations of –

(a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their non-pecuniary interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a pecuniary interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of a County Council or any Parish Council is classed as a non-pecuniary interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.

4. Crematorium Financial Monitoring and Key Performance Indicators (KPIs) 2018/19 – April to November 2018.
5. Proposed Municipal Funeral Service.
6. Date of next meeting – please bring diaries to the meeting.
7. Motion to Exclude the Public under Section 100(A)(4) of the Local Government Act 1972.

To consider the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of information defined in paragraph 3 of Schedule 12A of the Act.”

PART 2 – EXEMPT INFORMATION

1. Rainsbrook Crematorium Proposed Budget 2019/20.
2. Rainsbrook Crematorium Proposed Fees and Charges 2019/20.

Any additional papers for this meeting can be accessed via the website.

The Reports of Officers (Ref. JCC 2018/19 – 3) are attached.

Membership of the Committee:

Councillors Ms Robbins (Chairman) and Mrs Parker (Rugby Borough Council)
Councillors Mrs Lomax and Robertson (Daventry District Council)

Officers:

Dan Green, Lisa Handy, Chris Blundell, Christine Fraser (Rugby Borough Council)
Simon Bowers, Julie Lewis (Daventry District Council)

If you have any general queries with regard to this agenda please contact Linn Ashmore, Democratic Services Officer (01788 533522) or e-mail linn.ashmore@rugby.gov.uk. Any specific queries concerning reports should be directed to the listed contact officer.

If you wish to attend the meeting and have any special requirements for access please contact the Democratic Services Officer named above.

Crematorium Financial Monitoring and Key Performance Indicators (KPIs) 2018/19- April to November 2018

Rainsbrook Crematorium- Performance information for Period 8 (April-November 2018)

Measure	Target	Progress	Comments
Average total income generated per cremation		£935	Total income received from April-November divide by number of Cremations from April-November
Average total memorial income generated per cremation		£140	Total income from April-November, less Cremation income from April-November divide by number of Cremations from April to November
% of total deaths in Rugby and Daventry cremated at Rainsbrook	52.6%	56.5%	Based on ONS data from April to October 2018
Number of Cremations, cumulative	564	597	597 Cremations (including 30 no service) against target of 564 to end of November
RIDDOR incidents at Rainsbrook Crematorium	0	0	None
Number of complaints received at Rainsbrook	0	2	1 complaint in May 2018 and 1 in September 2018.
Number of compliments received at Rainsbrook		40	40 written compliments/feedback forms from April-November 18
CO2 per Cremation		0.4kg CO2e	Per Cremation from April- November 2018
% of H and S audit recommendations completed			Awaiting Health and Safety report following audit

2018/19 Budget Monitoring Summary based on November 2018 data – Key Variances (over £5k)

Expenditure	Variance to Year-End	Comments
Profit Share Payment	+£16,700	Anticipated increase in the 50/50 payment to DDC based on increased income expectations- current forecast is based on £161,000
Minor variances	+£200	
Sub- Total	+£16,900	Overall expenditure variance
Income		
Cremations	-£24,900	Y/E forecast based on 935 Cremations (including 46 'no service') compared with budget of 910, based on 2017/18 performance and 2018/19 trend to Period 8.
Use of Chapel	-£8,200	Increased demand for use of chapel- £6,300 received to Period 8, estimated £9k to Year-End, compared to annual budget of £800.
Minor Variances	-500	
Sub-Total	-£33,600	Overall income variance
Total	-£16,700	Anticipated increase in RBC surplus at Year-End

As shown in the table above, there is an anticipated increase of £16,700 each compared to the budgeted surplus based on November data. This is an additional £6,200 compared to the £10,500 reported at the previous Joint Committee meeting (which was based on August data). The main reason for this is an increase in the forecasted number of Cremations, as performance continues to do well.

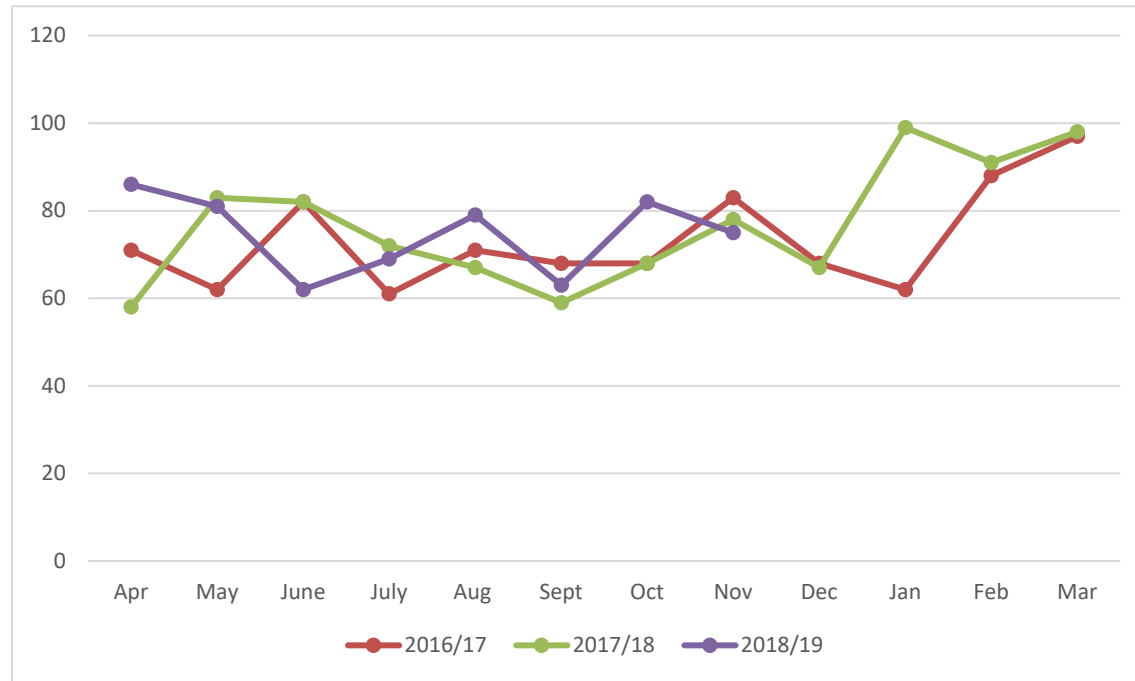
Reserve Balances

Cremator Replacement Reserve	£30,000
CAMEO	£8,600

Crematorium Financial Monitoring and Key Performance Indicators (KPIs) 2018/19- April to November 2018

Monthly Cremations

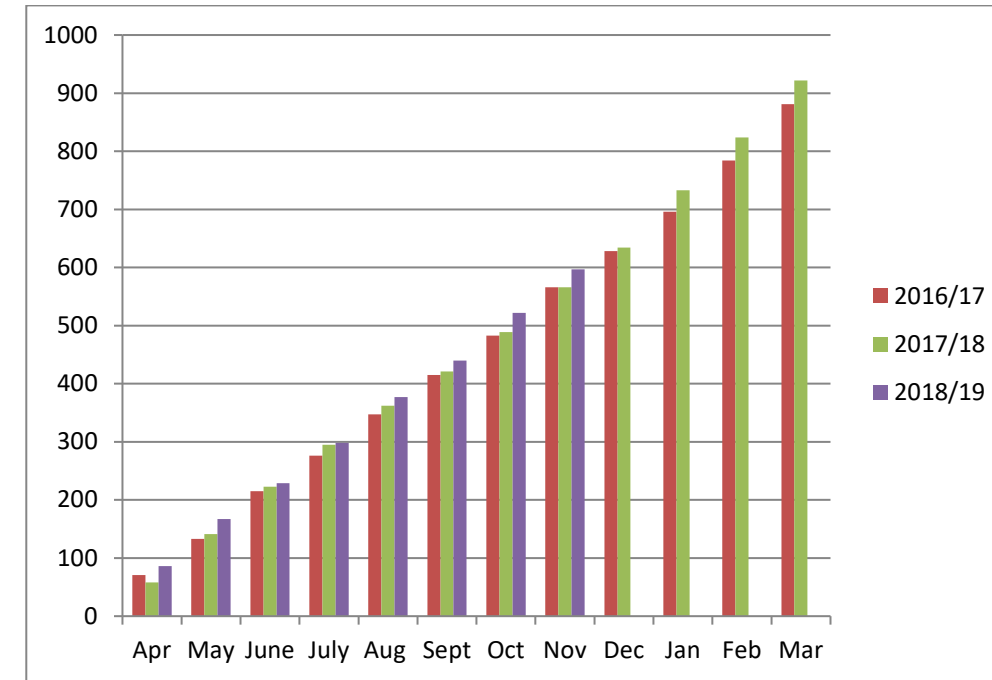
Graph showing comparison of month-by-month Cremations from 2016/17 to 2018/19



Cumulative Cremations

Graph showing cumulative number of Cremations from 2016/17 to 2018/19.

As at November 2018, we are currently 31 Cremations ahead of November 2017.



Rugby and Daventry Crematorium Joint Committee – 8 January 2019

Proposed Municipal Funeral Service

Purpose of the report

The purpose of this report is to:

- a) Allow the Joint Committee to consider the implications of introducing a service to provide a fair and affordable funeral service, which helps to resolve the effects of funeral poverty.
- b) Seek authority to progress the development of such a funeral service.

1. Background

According to the Competition and Markets Authority (CMA)¹, “The average cost of the essential elements of a funeral now stands at nearly £4,300, with another £2,000 being spent on discretionary items, such as flowers and catering.” The CMA also notes that over “the past 14 years, the price of the essential elements of a funeral has grown by 6% annually, twice the inflation rate over this period.”

Following the death of a loved one, people are naturally deeply distressed. They face making financial decisions about funeral arrangements and may make choices that are not affordable out of respect for the person who has died.

Some financial funding for families on low incomes is made by the Department of Work and Pensions (DWP) but it does not cover the whole funeral cost. Such payments are available to people on certain qualifying benefits.

Councils have a statutory duty under the provisions of Section 46 of the Public Health (Control of Disease) Act 1984 to undertake the funeral of a deceased person, who dies within their district / borough. The deceased may have no known family to pay for the funeral or no one who is able or willing to pay for the funeral. In these situations, the deceased is given a simple funeral service.

Whilst some of these funerals are carried out because the deceased has no living relatives, there has been an increase in public health funerals being carried out because the family simply cannot afford the funeral after being given an estimate by a funeral director.

Unfortunately, many families want to avoid the stigma attached to public health funerals. Some end up in debt to pay for what they consider to be a ‘decent’ funeral.

¹ Competition and Markets Authority, *Funerals market study – Interim report and consultation*, 29 November 2018. All subsequent CMA references are from this source.

The CMA is also investigating potential market failures in the funerals sector, with a particular focus on undertaker's fees and, to a lesser degree, cremation prices. At this point it concludes that "that there are reasonable grounds for suspecting that there are features which prevent, restrict or distort competition in the markets for services by funeral directors at the point of need and crematoria services in the UK."

The development of a council led funeral service would provide a fixed price, affordable and dignified option for residents which would help to address the issues associated with funeral poverty, as well as a good value service for anyone who wanted it. This should help address the issues identified in the CMA interim report, both directly and by providing an impetus for the local market to reduce fees in response.

Of course, the CMA is also interested in cremation charges, but it is considered the Councils can justify those charged at Rainsbrook given the investment they have made to create and upgrade the facility.

2. Municipal Funeral Services in the UK

The Institute of Cemetery & Crematorium Management (ICCM) is actively encouraging local authorities to provide a municipal funeral service and the following local authorities (amongst others) are already providing successful services:

- Cardiff
- Sandwell
- Tameside
- North East Lincs
- Luton
- East Ayrshire
- London Borough of Hounslow
- St Helens
- Wigan & Leigh
- Bury

These councils have created residents' funeral arrangements in an effort to tackle funeral poverty. They have generally done so in partnership with a third-party provider (a funeral director) who has been appointed to operate the service following competitive tender.

The Wigan Council residents' funeral has been very successful. The current cost of a Wigan Residents Funeral is £1,892.83 for a cremation and £1,938.83 for a burial, making them almost 50% cheaper than the average cost of a funeral.

Figures for the last four years are as follows:

Year 1

16 burials carried out, saving residents a total of £24,960.00
38 cremations carried out, saving residents a total of £61,142.00

Year 2

13 burials carried out, saving residents £28,433.21
109 cremations carried out, saving residents £154,362.53

Year 3

33 burials carried out, saving residents £69,477.44
135 cremations carried out, saving residents £189,159.95

Year 4

29 burials carried out, saving residents £55,100
126 cremations carried out, saving residents £239,400

Wigan have also increased their own revenue as funerals that had once gone to a private crematorium in the same borough are now coming to them.

3. Proposed Rainsbrook Funeral Service

The Bereavement Services team based at Rainsbrook Crematorium can develop a simple low-cost cremation or burial option that has transparent pricing and clarity of service. We would offer a high-quality value for money service delivered to a good standard by an experienced team using professional funeral directors.

The development of this service could enable a simple cremation or burial which is significantly cheaper than funeral costs people would otherwise be likely to pay. Prices would be transparent and fixed, with a clear menu of priced options for enhanced services if desired.

The service would offer a lower cost all-inclusive package which is dignified and professional but also affordable. It would include the cremation cost.

This service would include:

- Collection of the deceased
- Light oak or dark oak veneered coffin, furnishings and fittings.
- Preparation and dressing of deceased
- Viewing in Chapel of Rest
- Hearse and bearers
- A dignified funeral service
- Cremation or interment fee
- Doctors statutory fee (cremation only)
- Officiants fee
- Advice and support

It is likely that the fixed price would be under £2,000, including the cremation fee.

The fixed price would be paid to a funeral director (by the family of the bereaved) who would then pay disbursements (including the cremation fee) on behalf of the family.

It is proposed that a procurement exercise is undertaken to appoint a funeral director (or potentially directors) to provide this service.

4. Cost, Benefit and Risk Implications

The benefits of this proposal to the Crematorium and the Councils include the positive reputational impact of taking tangible action to reduce funeral poverty and assist residents generally in obtaining value for money. The offer of a service of this nature may have the additional benefit of increasing the proportion of local deaths using the facilities at Rainsbrook and the joint Bereavement Services team.

There should be no negative financial implications for the Crematorium or the Councils, as the fee received for burial or cremation would remain the same. (Where a burial is desired, the burial fee element would be paid to RBC.) A modest increase in usage of the Crematorium is likely, which would be beneficial.

As with other burials and cremations, it is possible that additional revenue could be generated through memorialisation and optional additional services.

It is likely that Rainsbrook Crematorium would incur some costs in running the service. These would be recovered through a portion of the fee.

It is anticipated that in the first few years approximately 5% of deaths would opt for this service, meaning a forecast of approximately 45 funerals per year. Over time this may change. The Joint Committee would be kept apprised of developments.

Consideration would be given to the best mechanism for managing any risk of bad debt.

The benefit for the funeral director which is successful in being awarded the contract is that they will benefit from an increased number of funerals, albeit potentially at a lower price than they currently offer.

The risk for funeral directors (who are successful in being awarded the contract) is that the profit margin on those funerals could be less than it would otherwise be.

Obviously, the loss of business to this new service would reduce income to other funeral directors. Likewise, if the service was effective in producing competitive pressure on them to lower fees, that would reduce their income. However, this is the obvious and unavoidable corollary of improving value for money for the public.

Given these factors, there is obviously potential for undertakers to regard the introduction of this service as unwelcome and for it to affect their willingness to work with the Crematorium. However, this risk is considered low, since as businesses they have to accept the validity of competition, and the Crematorium would remain an attractive location for them and their clients to use.

Should the service be highly effective in reducing prices in the market, it might become redundant. However, this would be a good outcome for residents. It would

also not involve any material costs or lost investment for the Councils to wind up the service should this be the case.

Recommendations

1. A pricing structure is developed, and a provider procured.
2. A further report is brought to the Joint Committee for endorsement prior to the new service commencing.