

NORTH EAST SURREY CREMATORIUM BOARD**3 DECEMBER 2019****REPORT BY THE TREASURER****Annual Review of Fees and Charges from 1 January 2020****Introduction**

1. This report reviews the current level of the fees and charges for the North East Surrey Crematorium. The charges are reviewed annually to ensure that income levels are sufficient to cover the cost of the services provided, especially where memorial items are purchased and then resold, and to maintain the Board's income levels to ensure ongoing financial viability.

Considerations

2. Charges generally must at least keep up with rising costs. The retail price index (RPI) has increased by 2.4% since the last review based on the September 2019 index.
3. In reviewing cremation charges a balance needs to be struck in terms of keeping the charge affordable, therefore helping to prevent funeral poverty and being competitive when compared to other crematoria but also being priced to ensure the Board are able to meet the demands and needs of the local residents.
4. The Board, at its meeting on 4 December 2018, increased the standard cremation fee from £570 to £590 (a 3.5% increase), inclusive of medical referees' fees and a plastic urn. This was put into effect on the 1 January 2019. It should be noted that a significant amount of the Board's income continues to arise from the cremation fees (circa 80%).
5. **Appendix Ai** to this report shows the current cremation fee; the fee for a two-line inscription in the Books of Remembrance; the fees for roses, and the charges made by other crematoria adjacent to the Board's area for similar services and products. The fees charged by neighbouring crematoria continue to show increases and there is no evidence that a further increase would result in any loss of business for the Board. The number of cremations undertaken last year totalled 1,972 which was slightly down on the 2017/18 level of 2,006 which was the highest level ever recorded.
6. A standard cremation fee of £605, representing an increase of £15 or 2.5%, from 1 January 2020 is therefore recommended for approval. An increase in line with the amount proposed would generate additional full year income of £28,470 per annum.
7. As in previous years, this year there has been a full assessment of memorial charges with reference to the current cost of providing the memorial type and the volume of sales at current prices.
8. The difficulty in fixing charges for memorials is assessing to what extent an increase in fee will reduce the number of sales. Memorial fees have been discussed with front line operational staff from Enable and the changes in memorial charges and other related fees that are recommended for approval with effect from 1 January 2020 are shown in **Appendix Aii**. Where applicable, all proposed fees include VAT at the standard rate of 20%.
9. The charges proposed generally increase by around the level of inflation. Where the proposed increase is significantly above this level this is generally due to passing on

increases that have been imposed by suppliers or where demand for specific memorials needs to be managed.

10. It is extremely difficult to estimate any additional income from recommended increases in memorial charges as the number and range of items varies considerably. However, if sales remain proportionate to the previous year, the additional income based on the increases proposed at this time would amount to £5,980 per annum.
11. The additional income for both cremation fees (assuming a fee of £605) and memorial charges would amount to an estimated £34,450 per annum.

Recommendations

12. For the fees and charges, applicable from 1 January 2020, the Board is recommended to:-
 - a) approve that the standard cremation fee be increased to **£605** and that supplementary cremation charges and memorial fees be increased as set out in **Appendix Aii** of this report.

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M R Davies
Treasurer to the Board