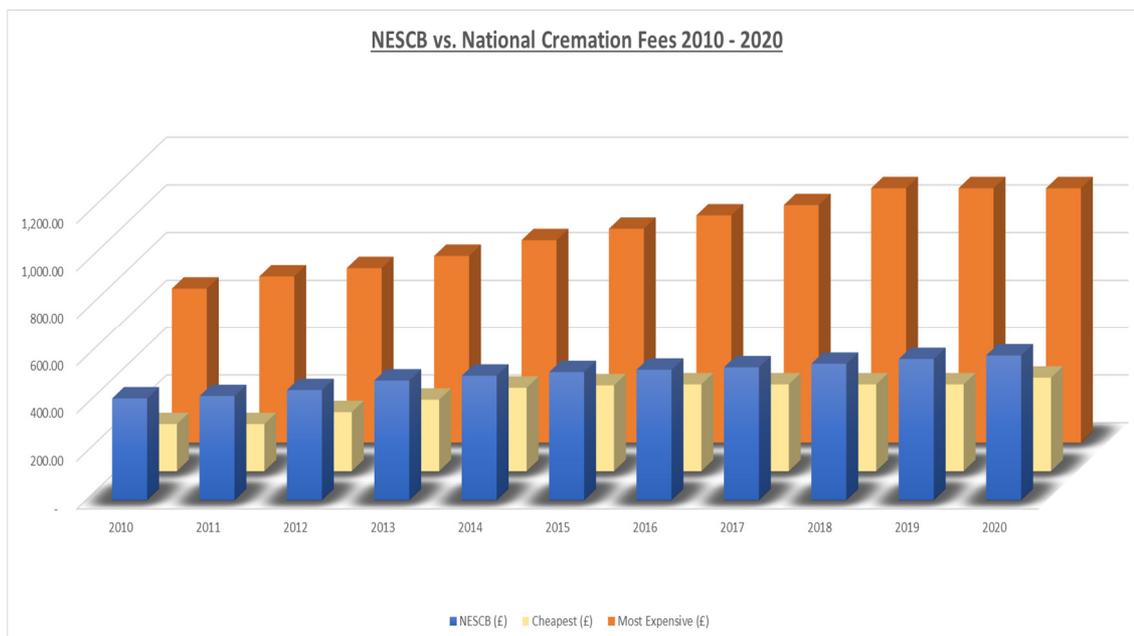


NORTH EAST SURREY CREMATORIUM BOARD**8 DECEMBER 2020****REPORT BY THE TREASURER****Annual Review of Fees and Charges from 1 January 2021****Introduction**

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 on, and therefore to maintain the Board's income levels to ensure ongoing financial viability within the longer term financial plan.

Considerations

2. Charges generally must at least keep up with rising costs so to maintain income levels relative to costs.
3. In previous years' charges have been increased by the Retail Price Index (RPI) using the September data released from the Office of National Statistics as the year on year comparative level. Based on the current release the RPI has increased by 1.1% since the last review. For comparison the Consumer Price Index (CPI), which is becoming a more commonly used inflation index measure, grew by 0.5% over the same period.
4. In reviewing cremation charges a balance needs to be struck in terms of keeping the charges 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.
5. The Board, at its meeting on 3 December 2019, increased the standard cremation fee from £590 to £605 (a 2.5% increase). The fee is inclusive of medical referees' fees and a biodegradable cardboard box/urn. This was put into effect from the 1 January 2020. It should be noted that the majority of the Board's income continues to arise from the cremation fees (circa 85%) with the sale of memorial products making up the rest.
6. For information the number of cremations undertaken last year totalled 1,878 which was slightly down on the 2017/18 and 2018/19 levels of 2,006 and 1,972 respectively which were the highest levels recorded over the last 5 years. It should be noted that the forecast for the current financial year is for 2,300 cremations with the increase solely related to the excess deaths caused by the COVID-19 pandemic but with an ongoing assumption that levels will hopefully return towards a 'normal' level of around 1,950 for the 2021/22 financial year and thereafter.
7. The charges levied by the Board for a standard cremation continue to be amongst the lowest in the country (302nd out of 308 crematorium based on 2020 stats on the www.cremation.org.uk website). The position relative to the highest and lowest charges in the country is shown in the graph below.



8. The table below shows the comparative cremation fee made by other crematoria adjacent to the Board's geographical area. The fees charged by neighbouring crematoria continue to show increases. No indication as to the comparative family charges for 2021 has been given so far. There is no evidence that if the Board are minded to apply an inflationary increase that a further increase would result in any loss of business for the Board.

Crematorium Standard Fee	Operated By	2019 Charges (£)*	2020 Charges (£)*
North East Surrey	Local Authority	590.00	605.00
Mortlake	Local Authority	610.00	620.00
Putney Vale	Local Authority	625.00	625.00
Kingston	Local Authority	635.00	655.00
Lambeth	Local Authority	665.00	695.00
Croydon	Local Authority	857.00	857.00
London (South)	Private**	965.00	999.00
Leatherhead	Private**	1,070.00	1,070.00

*Source - Cremation Society League tables

**Operated by Dignity

9. However, given the impact of the COVID-19 pandemic on the economy, which has caused significant financial hardship for families that have lost loved ones and those that have been furloughed or made redundant by their employers, and being mindful of the historically low inflation rates, the Board may be minded to freeze existing charges at the current levels for cremation fees.
10. A 1.1% increase (in line with the September 2020 RPI) would equate to a £5 per standard cremation fee increase (if rounded to the nearest £5 which is current practice) so would amount to additional income of just £9,750 per annum based on the estimated level for next year. Given the efficiencies identified in the budget setting process and the current and projected financial position, foregoing this additional income could be absorbed if fees are held at current levels.
11. In recognition of this a continuation of the standard cremation fee at £605 from 1 January 2021 is therefore recommended for approval with all other cremation and supplementary fees held at the prevailing rates.
12. As in previous years, this year there has again 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.

13. The difficulty in fixing charges for memorials is assessing to what extent an increase in the fee for a particular product will impact on the number of sales for that particular product. 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 2021 are shown in **Appendix Ai**. Where applicable, all proposed fees include VAT at the standard rate of 20%.
14. As with the cremation fees charges it is recommended that charges for all memorial products will continue to be held at the existing 2020 levels.
15. A review of the range and price of memorials offered will be undertaken once the acquisition of the new parcel of land has been completed and the land capacity study finalised. It is anticipated that this new area of available land will allow the Board to increase the variety of memorial offerings available and begin to recover some of the investment in the land purchase.

Recommendations

16. For the fees and charges, applicable from 1 January 2021, the Board is recommended to:-
 - a) approve that the standard cremation fee be held at **£605** and that supplementary cremation charges and memorial fees be set as laid out in **Appendix Ai** of this report.

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November 2020

M R Davies
Treasurer to the Board

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