

Item No.	Classification: Open	Date: 17 March 2011	Decision Taker: Cabinet Member for Environment, Transport and Recycling
Report title:		Cemeteries and Crematorium Fees & Charges 2011/12	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment	

RECOMMENDATIONS

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for the Cemeteries and Crematorium service 2011/12, with an implementation date of 1 April 2011.
2. That the Cabinet Member notes the indicative non-statutory fees and charges for 2012/13 and 2013/14.

BACKGROUND INFORMATION

3. The cemeteries service is responsible for, on average, 380 burials per year of which 210 are in new plots and the rest are re-openings of pre-purchased plots for family member interments and the crematorium service provides over a 1000 cremations per year.
4. This report sets out proposals for the fees and charges to be set for the Cemeteries and Crematorium service for 2011/12 and indicative charges for 2011/12 and 2012/13.
5. The Medium Term Financial Strategy (MTFS) 2009/10 – 2011/12 and the corporate income policy require that:
 - Fees and Charges are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
 - Income generation is maximised by seeking income streams in line with council policies and priorities.
 - All fees and charges capped by statute are increased to the maximum level the cap allows.
6. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTFS.
7. The Council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an IDM report. An IDM report is also required where no increase or a reduction in fees and charges is proposed

KEY ISSUES FOR CONSIDERATION

8. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
 - Fixed – where the level of charges is set by statute and the Authority has no discretion.
 - Capped - where a maximum level is set, generally by statute and so charges cannot be set above this level, or
 - Flexible – where there is full discretion on the level of charges to be set
9. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Cabinet Member. This will be reviewed annually and will be considered within the context of the overall budget position.
10. All fees within the Cemetery and cremation service are discretionary.
11. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including; volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore, also been a consideration in arriving at the proposed fees.
12. Within the Cemeteries and Crematorium service the cost of plot purchase and burial was frozen in 2008. Then, and now, the cost of purchasing a plot cost less than 50% of the inner London Average. Interment fees are also lower than the inner London Average but the difference is less extreme.
13. There have been a number of studies conducted into the real cost of burial over a 75 year exclusive right period for a typical cemetery undertaking 300 interments per annum, generally speaking the average figure is calculated at approximately £2,000 per grave plot as a minimum. In Southwark the cost of purchasing a plot is £691.
14. The suppression of fees has meant that there has been little investment in the infrastructure at the cemeteries and crematorium. This means that the service is run down and fails to offer the quality of service expected of modern day bereavement services.
15. It has also meant the service has incurred financial problem as the income target of £311k has not been achieved. As a comparison the service has had to be cross subsidised by others in the parks portfolio. It has also meant a particular income stream to fund investment has not been pursued.

Proposals

Pricing policy

16. As stated in paragraph 5 Council policy regarding fees and charges is to raise fees in line with the most appropriate London average and in 2011/12 it is recommended that this pricing policy be adopted.
17. It is therefore proposed that all fees should be brought in line with the projected inner London average (inner London average plus 4%) in 11/12.
18. Any new premium plots created at Camberwell New Cemetery and Nunhead Cemetery should be sold for a fee which is in line with the projected inner London average for such plots.
19. In order to assist with the sustainability of the service a 25 year exclusive rights option should be introduced (currently plots are sold with 50 year exclusive rights only) which is a third cheaper than the normal residential rate for plot purchase. This reduced price would incentivise the purchase of shorter period of rights of burial but it would still be higher than current rates.
20. Currently Adult Burial fees are applied for Children aged 2 years and over. It is proposed to increase the child age limit to 15 years and to introduce adult burial fees from 16 years upwards.
21. It is proposed to introduce an early morning committal service time at a 18% reduction of full Cremation cost.
22. Non residential rates should continue to be priced at a rate of 3 times the residential rate. Due to the increase in the residential rates this will mean a significant increase in prices.
23. All London Local Authorities offer non residential rates which are considerably higher than residential rates. This increase in residential rates would not lead to Southwark residents opting to be buried in neighbouring boroughs.

Policy Implications

Exclusive rights of burial

24. In accordance with Article 10(1) of the Local Authorities Cemeteries Order 1977, a burial authority may grant, on such terms and subject to such conditions as they think proper:
 - (a) to any person
 - (i) the exclusive right of burial in any grave space or grave, or the right to construct a walled grave or vault together with the exclusive right of burial therein: or
 - (ii) the right to one or more burials in any grave space or grave which is not subject to any exclusive right of burial.
 - (b) to the owner of a right described in (a) (i) or (ii) (or to any person who satisfies them that he is a relative of a person buried in the grave or vault, or is acting at the request of such a relative and that it is impractical for

him or such relative, to trace the owner of the right so described) the right to place and maintain or to put any additional inscription on, a tombstone or other memorial on the grave space, grave or vault in respect of which the right so described subsists:

- (c) to any person the right to place and maintain a memorial in a Cemetery otherwise than on a grave space, grave or vault in respect of which a right described in (a) (i) has been granted, but
 - (i) in the case of a memorial to be placed in a chapel provided under Article 6 (1) (b) only at the request of persons appearing to the burial authority to be representative of the Church of England or other particular denomination or religious body at whose request the chapel was provided: and
 - (ii) in the case of any other memorial being an additional inscription on an existing memorial only with the consent of the owner of the right the place and maintain such existing memorial.

25. The above rights subsist for the period specified in the respective grants and such period is to begin from the date of the grant and must not exceed 100 years, though the burial authority may from time to time extend the period of any grant, subject to any modifications of its terms or conditions as they think fit, for up to 100 years from the date on which the extension is granted. In Southwark, in common with many other London local authorities, exclusive rights are commonly purchased for 50 years. As burial space diminishes a number of local authorities are considering offering a 25 year option.

26. Section 9 of the *Greater London Council (General Powers) Act 1976* enables burial authorities in London to reclaim and then re-use a grave where the rights of interment have not been exercised for 75 years and notice has been published. More often exclusive rights are renewed or extended.

Resource Implications

27. Table 1 shows the budgets for 2010/11 and the anticipated income levels for 2011/2012 arising from the proposed fees. Budget assumptions are covered in the comments accompanying the financial table and the above paragraphs.

Table 1 – Environmental Services Discretionary Fees and Charges

Division/ Income Stream	2010/2011 Budget £	2010/2011 projected out turn £	2011/2012 Proposed Budget £	Increase In Income %	Comments
Parks Services					
Cemeteries	578,323	610,130	738,323	27.67%	
Crematoria	553,399	553,399	553,399	0%	

Budget assumptions and implications

28. It is assumed that there will be no corporate inflation increase in the income budgets as compared with 2010-11 figures. The majority of fees and charges have been increased in line with MTFs but where there are good reasons why this has not been

adopted, this has been detailed within the body of the report. Where the charge for a particular line item is not in line with the MTFS the overall revenue for that service will not be adversely affected.

29. The total net increase in income (as shown in the table 1 above) is £160,000 which reflects the savings proposed as part of 2011-12 budget.

Staffing Implications

30. There are no staffing issues to be considered.

Community impact statement

31. One of the key considerations in arriving at the proposed fees and charge levels for 2011/12 was the price sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. This was supported by comparing prices with neighbouring authorities, where possible. However, this flexibility is limited to only where Southwark has discretion over the level of fees set. The adoption of the proposed fees and charges does not discriminate against any group in the community, either directly or indirectly.
32. Nevertheless the pricing policy in this area does include some sharp price rises due to the suppression of fees for a number of years. In order to mitigate against any negative impact to any group some new charges have been introduced as above.

Consultation / Notification of fee increases

33. Consultation is not required on the above fees and charges. However, once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

34. The Cabinet Member for Environment, Transport & Recycling is recommended to approve the 2011/2012 non-statutory fees and charges for the Cemeteries and Crematorium service. The recommendations will take effect on 1 April 2011 if approved.
35. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the Council is not prevented from charging for the services by virtue of any other legislation. The report sets out the relevant legislative powers which enable the Council to charge fees in each case.
36. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
37. The proposed increases are intended to be consistent with the Medium Term Financial Strategy and will apply to the existing non-statutory fees and charges.

Finance Director (Env/JM/150311)

38. This report seeks authority for approving the fees to be charged by Public Realm Division for cemeteries and crematoria with in Parks and Open Spaces Business Unit in 2011/2012. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
39. Currently the Medium Term Financial Strategy (MTFS) is to generally increase discretionary fees and charges to a level that is equal to the most appropriate London average except where this conflicts with Council policy or would lead to adverse revenue implications. As outlined in the report, Public Realm are proposing a range of fee and charge increases to bring them in line with the Inner London average. Based on the neighbouring borough benchmarking information provided and given that the proposals seek to maximise income generation, they can therefore be considered in line with the MTFS.
40. The proposed budget for 2011/12 includes additional cemeteries and crematorium charges of £160k to bring these fees and charges to inner London average.

APPENDICES

No.	Title:
1	Cemeteries and Crematorium non statutory fees and charges

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment	
Report Author	Des Waters, Head of Public Realm	
Version	Final	
Dated	17 March 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Date final report sent to Constitutional Officer		