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|------------------------------------|--------------------------------|--|--|
| <b>Item No.</b>                    | <b>Classification:</b><br>Open | <b>Date:</b><br>20 September 2013  | <b>Decision Taker:</b><br>Cabinet Member for Transport,<br>Environment & Recycling |
| <b>Report title:</b>               |                                | A Variation to the 2013/14 Public Realm Fees and Charges Report which Sets Charges for the Pre-Purchase of Graves and Fees for Full Memorial Graves. |  |
| <b>Ward(s) or groups affected:</b> |                                | All  |  |
| <b>From:</b>                       |                                | Strategic Director of Environment & Leisure  |  |

## RECOMMENDATIONS

1. That the Cabinet Member agrees a variation to the fees and charges for Public Realm Division for 2013/14' with effect from 1 October 2013:
  - The charge of Exclusive Rights of Burial for a private full memorial grave be set at a cost of £2,998 for 50 years and £1,999 for 25 years.
  - The ability to pre-purchase of Exclusive Rights of Burial for a private grave is considered at an increase of 15% on the standard purchase cost, subject to a maximum of two graves per applicant.

## BACKGROUND INFORMATION

2. This report is provides for a variation to the fees and charges for the Public Realm division 2013/14 in light of the recently completed new burial provision.

## KEY ISSUES FOR CONSIDERATION

3. Due to the pressures upon grave spaces within Southwark cemeteries in recent years it has been necessary to withdrawal from offering residents the option of pre purchasing grave space or the ability to install full memorial graves. As a result the fees for these services were not set at the time of agreeing other cemetery fees.
4. The successful implementation of the Cemetery burial Strategy agreed by cabinet in 2012 has meant that significant new burial areas have become available and thus the Council is once more able to offer these services and thus it is necessary to revise the schedule of fees to accommodate this.

## Full Memorial graves

5. At the time of writing this report there are 2 full memorial graves available at Camberwell Old Cemetery and 1 available at Camberwell New Cemetery. These graves were previously reserved and were relinquished. This, and an extension to the full memorial burial site at Nunhead Cemetery now means that the service can accommodate the larger full memorial graves. It is proposed that the fees be

set £2998 for 50 years and £1999 for 25 years which is the current inner London average and in line with the council's strategy for setting fees and charges.

### **Pre-purchase of graves**

6. The provision of new grave space at Camberwell Old Cemetery is a major addition to burial space and means that pre-purchase can once more be offered to residents. This is a valuable addition to the service as it provides peace of mind to those residents who wish to plan for their funeral arrangements in advance.
7. It is proposed that the fee for pre-purchase be set a 15% of the standard fee, which is again in line with the inner London average. Based on current fees the pre purchase fee for a lawn type grave for 50 years would be £2,065, compared to a standard fee of £1796. The pre-purchase fee Rights for a lawn type grave for 25 years would be £1,377 compared to the standard fee of £1,198.
8. The fee secures the right to use the pre-paid site for up to the length of time purchased and can be extended on payment of further fees to 100 years maximum. In order to ensure fairness and that burial provision is not exhausted too quickly it is proposed that a maximum of 2 graves may be purchased by any one person. Similarly pre-purchase will not be available to Funeral Directors.
9. As per all other fees within the service, the fees described in this report for customers who are not residents of the Borough will attract an additional premium which is currently three times the residential rate.

### **Policy implications**

#### **Fees and other Charges**

10. Article 15 (1) of the Local Authorities' Cemeteries Order 1977 empowers a burial authority to charge such fees as they think proper for or in connection with burials in a cemetery: for the grant of a right to place a tombstone or other memorial in a cemetery: or to put an additional inscription on such a memorial. Every burial authority must keep a table showing the matters in respect of which fees or other charges are payable to them, and the amount of each such fee or charge. The table must be available for inspection by the public at all reasonable times.
11. The Medium Term Resources Strategy (MTRS) 2011/12 – 2013/14 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.
  - 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 MTRS.

12. 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

### **Benchmarking**

13. Benchmarking is carried out annually against 12 inner London local authorities. See Appendix A for the list of local authorities and their charges. This shows that the inner London average for full memorial fees is £2,998 and that there is also a comparable pre-purchase fee – these fees are recommended in this report.

### **Exclusive Rights of Burial**

14. 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 constrict 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.
15. 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 25 - 50 years.

16. 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.

### Financial implications

17. Currently the cemetery service sells 180 lawn graves annually. Due to the re-introduction of the full memorial fee, it is anticipated that approximately 10 out of 180 total grave sales will be for full memorial graves.
18. If these 10 graves are purchased for 50 years, additional income will be the difference between the price of lawn graves (£1,796) and full memorial graves (£2,998) which is £1,202 per grave. If the graves were purchased for 25 years, additional income will be the difference between the price of lawn graves (£1,198) and full memorial graves (£1,999) which is £801 per year.
19. It is estimated that pre-purchased graves will represent 36 new customers a year, being 20% of the 180 total new customers. These customers may reserve an additional grave in advance for 25 years at £1,377 bringing an estimated extra income generation of £49,572 and if sold for 50 years at £2,065 an estimated income of £74,340 per year.
20. Latest forecasts show an unfavourable variance of £103k for income from cemeteries. The additional income will help to narrow the shortfall in the current financial year 2013/14 from £103k to £67k. Nevertheless the revenue demands within the cemeteries service continue to rise as we raise standards and create new burial space as per the cemetery strategy.

| Item Description                    | No.  | Rate          | 2013/14 (6 months) (£) | 2014/15 onwards – annual (£) |
|-------------------------------------|--|---------------|------------------------|------------------------------|
| Full memorial graves                | Assumed that 5 graves purchased for 50 years | £1,202/ grave | 3,005                  | 6,010                        |
| Full memorial graves                | Assumed that 5 graves purchased for 25 years | £801/ grave   | 2,002                  | 4,005                        |
| Reservation of pre-purchased graves | Assumed that 18 customers buy for 25 years   | £1,377/ grave | 12,393                 | 24,786                       |
| Reservation of pre-purchased graves | Assumed that 18 customers buy for 50 years   | £2,065/ grave | 18,585                 | 37,170                       |
| <b>Total</b>                        |  |               | <b>35,985</b>          | <b>71,971</b>                |

### Staffing implications

21. There are no staffing issues to be considered.

## **Community Impact statement**

22. One of the key considerations in arriving at the proposed fees and charge levels for this addendum 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 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.

## **Consultation/Notification of fee increases**

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

## **SUPPLEMENTAL ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

24. The Director of Legal Services ("DLS, acting through the Corporate Team) notes the content of this report, which seeks the Cabinet Member's approval of the reinstatement or introduction of charges relating to exclusive rights of burial within Southwark cemeteries, as summarised in paragraph 1. The DLS confirms that the decision to approve the report recommendations is a matter which is expressly reserved to the Cabinet Member for decision under Part 3D of the council Constitution.

### **Strategic Director of Finance and Corporate Resources**

25. This report seeks approval from the cabinet member for transport, environment and recycling to a variation to the report 'Setting of fees and charges for Public Realm Division for 2013/14'. It proposes additional charges, which will be introduced on 1 October 2013. These changes are in accordance with the council's guidance on fees and charges, contained within the Medium Term Resources Strategy.
26. The strategic director of finance and corporate resources notes the financial implications detailed in paragraphs 17 to 20 and that this will contribute towards the budget pressure in this area. The impact will be reported through quarterly revenue budget monitoring to cabinet and any continuing pressures will need to be identified through the budget setting process.
27. These charges are comparable to the inner London averages, shown in Appendix A. Fees will continue to be reviewed annually to ensure they remain in line with neighbouring boroughs.

## AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Lead Officer</b>   | Deborah Collins, Strategic Director Environment and Leisure |                          |
| <b>Report Author</b>  | Des Waters, Head of Public Realm                            |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 12 September 2013   |                          |
| <b>Key Decision?</b>  | Yes   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                                      | <b>Comments Included</b> |
| Director of Legal Services  | Yes   | Yes                      |
| Strategic Director of Finance and Corporate Resources                   | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 20 September 2013   |                          |

## APPENDICES

| <b>No.</b> | <b>Title</b>   |
|------------|--|
| Appendix 1 | Benchmarking for Lawn, Full Memorial and Pre- Purchased Graves |

## Appendix A.

**Benchmarking for Lawn, Full Memorial and Pre- Purchased Graves (The Pre-purchase % is added to lawn or full memorial cost)**

| <b>Authority</b>                 | <b>Lawn</b>    | <b>Full Memorial</b> | <b>Pre-purchase</b> |
|----------------------------------|----------------|----------------------|---------------------|
| Greenwich                        | £1,523         |                      | Plus 15%            |
| Islington and Camden             | £1,140         | £1,140               |                     |
| Kensington and Chelsea           | £1,016         |                      |                     |
| Lambeth                          | £4,035         | £6,900               |                     |
| Southwark                        | £1,711         |                      |                     |
| Lewisham                         | £1,191         | £1,850               |                     |
| Wandsworth                       | £2,525         | £2,350               | Plus 20%            |
| Westminster                      | £954           |                      |                     |
| Hammersmith and Fulham           | £1,680         | £2,750               |                     |
|                                  | <b>£15,775</b> | <b>£14,990</b>       |                     |
|                                  |                |                      |                     |
| Inner London Average Jan 2013    | £1,752         | £2,998               |                     |
| Inner London Average August 2012 | £1,720         | £2,938               |                     |