

<b>Subject:</b>	<b>Life Events Midyear Fees and Charges Review</b>		
<b>Date of Meeting:</b>	<b>16 October 2014</b>		
<b>Report of:</b>	<b>Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Paul Holloway</b>	<b>Tel:</b> 29-2005
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In line with the Corporate Fees & Charges Policy, Life Events services regularly reviews its non-statutory fees and charges and compares all of them with neighbouring local authorities who provide the same or similar services. In addition, comparisons have been made against other local private sector service providers.
- 1.2 Thorough analysis has been undertaken to ensure costs of the provision of the services are fully covered, and that they fit the council's priorities and business objectives within the corporate financial management standards. All Life Events service areas maintain a commitment for a low cost option.
- 1.3 These proposals mitigate the current income shortfalls being experienced in the service area in the current financial year and will place the service on a stronger financial footing for 2015/16.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee approve the fees and charges for Life Events in Appendix 1 (Bereavement Services) and Appendix 3 (Registration) .

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Brighton & Hove City Council adopted a Corporate Fees & Charges Policy in 2008. The main aims of the policy were to ensure that:
  - Fees and charges are reviewed at least annually including consideration of potential new sources of income;
  - Fees and charges are set after comparing with 'statistical nearest neighbours' (or other relevant comparator groups) and taking into account market, legal and other contextual information;
  - Unless set by a statute, fees and charges are set to recover full costs, including central overheads and capital financing, or to a defined subsidy level agreed by the council;
  - Subsidies and concessions are not applied unless approved by members;
  - The impact on financial inclusion is considered when setting fee levels.

## **Life Events' fees and charges**

- 3.2 The high level of service provided by both Bereavement Services and Registration Services is regularly acknowledged in customer feedback. Both services enjoy a high reputation for their customer care and service delivery.
- 3.3 A comprehensive review of all fees and charges in Bereavement Services and Registration Services has been completed. The review has included all non-statutory fees and charges, to ensure full cost recovery. It should be noted that it is not within our power to increase statutory fees. Fees and charges have been benchmarked with neighbouring local authorities and other service providers.
- 3.4 These proposals will generate projected additional income of around £153,000 (approximately £340,000 full-year effect) for Bereavement Services and £7,000 (£20,000 full-year effect) for the Register Office, by the end of this financial year. It must however be appreciated that additional and new services for customers in both the Bereavement and Registration service areas have some risk in terms of their scope for income generation, as they are untried and untested, at a time of financial uncertainty across the wider economy.

## **Bereavement Services**

- 3.5 Until last year, fees and charges in Bereavement Services had only been increased by inflation. For 2014/15, a more comprehensive review took place. In spite of the increases, the cost of our services remained significantly low when compared to our LA competitors and neighbours. There remains a large gap between charges for our services, and charges made by other LA service providers, including our near neighbours, for similar services and or products. . Consequently, it is proposed that fees and charges increases are made to bridge the gap. This is possible and all our fees and charges can remain comparatively low. As previously stated in para 1.2, all Life Events service areas maintain a commitment for a low cost option.
- 3.6 All fees and charges relating to children under the age of 16 will be maintained at current rates. There are no proposed increases.
- 3.7 All fees and charges relating to our recently established woodland burial cemetery development will remain unchanged. There are no proposed increases.
- 3.8 Analysis of the costs of providing bereavement services has highlighted that the fee for our low cost option for cremations, did not cover all of our running costs to provide the service. For this reason, it is proposed that the fee for cremation only, before 9.30am on a weekday, is increased to £300. Whilst this is an increase of 49%, this proposal takes into account the charges made by our competitors, which are, where provided, still significantly higher. For example, Worthing Borough Council charges £360, and Eastbourne District Council charge £590. It is evident that our low fees have benefitted customers from outside the city.

- 3.9 The fee for an adult cremation after 10.00am on a weekday is proposed to increase to £600. Whilst this is an increase of 35%, benchmarking against our neighbours for the same type of service, demonstrates our charge is still competitive. For example, Worthing Borough Council charges £631, with an increase due from 1 January 2015. A further example is for the same type of service at Eastbourne District Council, where a fee of £605 is charged.
- 3.10 In line with our commitment to customer care and high service quality, the cremation fee includes services such as chapel attendants, parking attendants and access to audio visual systems.
- 3.11 It should be noted that Funeral Directors offer a range of funeral packages to customers covering all requirements and budgets. The Local Authority's charges for cremations and burials form only a part of this total cost.
- 3.12 There are some proposals to increase fees and charges by more than the rate of inflation in some cases, such as burial costs. These are generally to reflect increased costs to the council.
- 3.13 The increase in charges covers all running costs and allows provision for business development and improvement, supporting cremator renewal and maintenance of facilities, both in terms of Bereavement Services buildings and cemeteries.

### **Registration Services**

- 3.14 As with Bereavement Services, until last year, fees and charges in Registration Services had only been increased by inflation. For 2014/15, again, a more comprehensive review took place. Increases of an average of 5% were proposed and agreed. Similar again to the Bereavement area, our fees and charges remained incredibly competitive with near neighbours.
- 3.15 Whilst there are some small increases proposed again, provision will still be there for the low cost option of a Register Office ceremony. There will be a statutory fee of £49.00 charged for this service, which is set by government.
- 3.16 It is more difficult to compare like for like services with our neighbouring competitors in Registration. Both East and West Sussex offer a different range of options, in terms of ceremony venues, with for example country mansion options readily available to customers. In Brighton & Hove, whilst we do have Stanmer House and Brighton Pavilion in our portfolio of available ceremony venues, we also offer city centre and seaside type venues, by the very nature of our location.
- 3.17 Research has identified that our services are traditionally in great demand through the spring and summer months, and less in demand through the autumn and winter period. This is evidenced in Appendix 4.
- 3.18 A new approach will see Brighton & Hove Registration service look to offer a range of attractive discounted winter packages, working with our venue partners. It is hoped that this creative approach can increase not only Registration

business and income, but also additional business and income for the city, at times where services, and the city itself, are less busy.

- 3.19 The direct approach to market ceremony packages will it is hoped, encourage people to make Brighton & Hove their destination of choice for ceremonies, throughout the year, and not only during the traditionally busy summer months.
- 3.20 The Registration Service's aim is that customers will be persuaded to come to Brighton & Hove instead of considering other local alternatives.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The benchmarking exercise has identified real potential for increasing our fees and charges across both the Bereavement and Registration services. Both have excellent reputations for providing high quality customer focussed services, and there is a need to maximise income generation. The exercise can be achieved whilst remaining low in cost when compared to our LA neighbours and other service providers nearby.
- 4.2 The proposed increase in fees and charges will allow Life Events services to realise additional income. Whilst developing new income streams, particularly in Registration, there will be a consolidation of existing high quality services. Ongoing 6 monthly reviews will provide information on the impact of proposed fees and charges increases.
- 4.3 Comprehensive analysis of service provisions has established that these increases will achieve full cost recovery, as well as allow opportunities for business development and improvement.
- 4.4 Where possible, fees and charges still allow for customer choice and lower cost services remain available.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Comments and feedback are welcome as part of Brighton & Hove's budget consultation process. Consultation with the Institute of Cemeteries and Crematorium Management (ICCM) for Bereavement and the General Register Office (GRO) for Registration, has previously established there is not a legal obligation to consult with members of the public about non-statutory fees.

#### **6. CONCLUSION**

- 6.1 It is important for Life Events services fees and charges to realistically ensure cost recovery and also have provision for business development and improvement, as well as supporting cremator renewal and maintenance of facilities.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 Bereavement Services and Registration Services have faced difficult income targets for some time now (in 2013/14 the under-achievement for these two areas was £0.378m) which led to a review of fees and charges within the service. This review highlighted that there were some non-statutory fees that did not cover the cost of providing the service and also that some fees were significantly lower than competing/neighbouring authorities. The proposed charges set out in the appendices aims to address these issues.

If the proposals in this report are approved, the expectation is that an extra £0.160m can be achieved in the remainder of 2014/15, which would significantly offset the expected shortfall in these particular income streams of £0.280m for this financial year. This together with other measures, overachievements and spending controls, is expected to drive the service towards an on-target position. With a full year effect of these fee changes, the service would expect to gain some £0.360m in 2015/16, enough to cover the income pressure on Bereavement Services and Registrar's Services (currently expected at a level of £0.325m including inflation) and support a modest savings proposal for the subsequent financial year. There are however risks to the fee increases proposed in this report, as outlined in section 3.4 of the report. The above figures rely on client numbers remaining stable, and for increased numbers being attracted to the packages

*Finance Officer Consulted: Peter Francis Date: 16/09/14*

### Legal Implications:

- 7.2 This report relates to non-statutory fees and charges. It is therefore necessary to identify the power that enables the council to charge for the bereavement and registration services listed in Appendices 1 and 3. For that purpose, the council may use its general power of competence conferred by Part 1, Chapter 1 of the Localism Act 2011 on condition that, taking one financial year with another, the income from charges levied does not exceed the costs of provision.

*Lawyer Consulted: Oliver Dixon*

*Date: 16/09/14*

### Equalities Implications:

- 7.3 An EIA for all fees and charges proposals is being completed.

### Sustainability Implications:

- 7.4 Woodvale Crematorium has recently undergone an upgrade to facilities, including replacement of cremators in compliance with Mercury Abatement legislation. This will assist;

- Projected reductions in air and water pollution from mercury and other toxic emissions, to meet strict environmental standards.

- Reduction in energy consumption and costs by up to £42k per year.
- Carbon emissions will be reduced by as much as 314 Tonnes per year
- The capture and recycling of waste heat, which in turn reduces our carbon footprint, will provide significant energy savings.
- Provision of new energy-efficient lighting to the main driveway. Installation of brand-new efficient state-of-the-art cremation equipment.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Appendix 1 – Proposed Bereavement Services fee increases.

Appendix 2 – Proposed Registration Services fee increases.

Appendix 3 – Registration Service new fees and packages

### **Documents in Members' Rooms**

N/A

### **Background Documents**

N/A