

# FEES AND CHARGES REPORT

## APPENDIX 12 –LEA FIELDS CREMATORIUM

### 1. Service description

Lea Fields crematorium offers an excellent bereavement service and facility for West Lindsey residents, and the wider area in accordance with all relevant legislation, policies and procedures.

Lea Fields delivers cost effective operations, compassionate cremations and a supportive after care service.

There is also the opportunity for family and friends to lease memorials, for loved ones who have died as a way of coping with the overwhelming grief felt after a death.

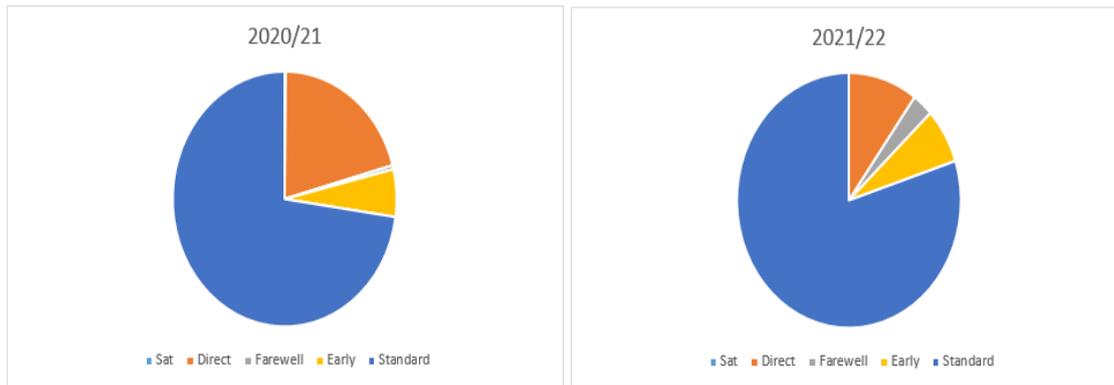
### 2. Prior years analysis, current financial year projections

Since the first service on 3rd February 2020 to 23rd July 2021 the Crematorium has performed 823 services and have served 39 different Funeral Director companies. Lea Fields continue to receive positive feedback form both funeral directors and families.

The table below shows the actuals cremations figures for 2019/2020, 2020/2021 and the forecast 2021/2022 figures. In 2019/2020 the service was only operational for two months.

Year	2019/20 Actuals	2020/21 Actuals	2021/22 Forecast
Number of Cremations	73	598	530
Income from Cremation	£55,150	£431,552	£409,073

The pie chart below shows the actual percentage split of the cremation service types provided from 2020/2021 and 2021/2022. Direct services were in higher demand in 2021/2022 as restrictions were imposed on numbers being allowed to attend a funeral in line with the Covid-19 regulations and also as a result of a neighbouring Crematorium having technical issues resulting in Lea Fields providing Direct Services on their behalf for two weeks.



### 3. COVID Impact

The facility has been popular with Funeral Directors and families for cremations and funerals, but has not received the expected footfall essential for raising the profile of Lea Fields Crematorium and to what Lea Fields Crematorium has on offer.

Secondary spend purchases on memorialisation have not been as lucrative due to COVID-19 virus and the restrictions this has imposed. The strewing area landscaping is yet to be completed however once the strewing areas are usable, any remains scattered on site will generate memorial interest and encourage visitors.

### 4. Pricing

Lea Fields Crematorium pricing is benchmarked against competing facilities in Lincoln, North Lincolnshire (Scunthorpe), and Doncaster. We also included benchmarking for Babworth Crematorium (Westerleigh group) and Barnby Moor Crematorium (Memoria group), which are privately owned crematoria forming part of a larger network of crematoria.

In 2021 Lincoln Crematorium reduced their 'Direct Cremation' fee by £100 and North Lincolnshire introduced 'Layered service' approach. Lea Fields has remained competitive despite our competitors' reactions.

Whilst the pricing remains competitive, the fees and charges also protect the profit margin to ensure the facility remains viable. Secondary spend on items not directly related to the funeral are considered a luxury item.

Income generation through memorial sales is an important element of service provision. This is handled with sensitivity and tactfully to ensure that low-income families have affordable memorial options.

## Demand

A 5-year forecast has been carried out. Moving forward it is suggest that market demand will shift in the type of services preferred. Direct Cremations are predicted to increase as a preferred choice from 10% to 16%. Standard services will inevitably fall as a result of families choosing directs in favour of attending a service. This will have an impact of the forecast income as Direct services (£465) fees are 45% lower than a Standard Service (£850).

The forecast is lower than the budgets agreed in the 2021/2022 MTFP in March 2021. This is as a result of the change in market choice and remaining competitive with our local competitors.

Table below show the forecast based on the market against the current budgets agreed. This is bases on the fees proposed for 2022/23 and 2% increase for each following year.

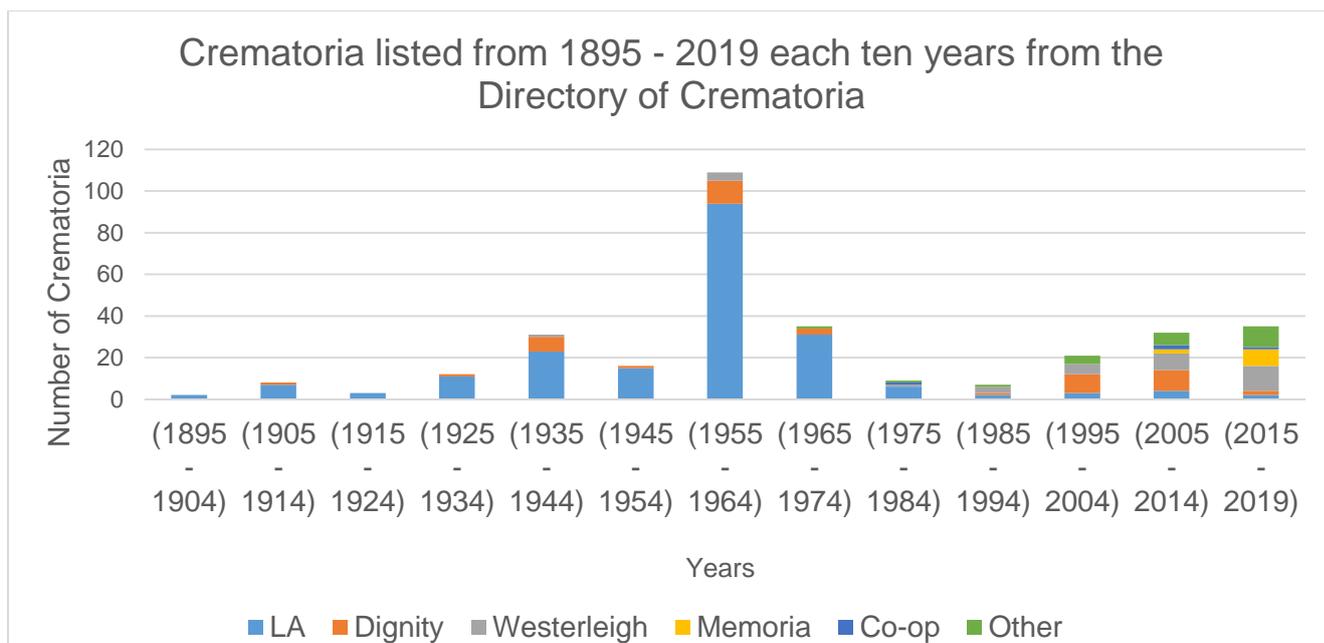
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast	409,100	429,000	473,000	534,100	576,000	601,400
MTFP at agreed March 2021	471,500	517,800	561,400	562,300	562,300	562,300
<b>Variance</b>	<b>(62,400)</b>	<b>(88,800)</b>	<b>(88,400)</b>	<b>(28,200)</b>	<b>13,700</b>	<b>39,100</b>

Below show the changes in the percentage of the demand expected.

Income	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Saturday	0%	0%	0%	0%	0%	0%
Direct	10%	7%	16%	16%	16%	16%
Farewell	3%	3%	3%	3%	3%	3%
Early	7%	4%	6%	6%	6%	6%
Standard	80%	86%	75%	75%	75%	75%
<b>TOTAL FORECAST</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 5. Understanding Customers and Markets

Local Authority operated crematoria no longer have the monopoly in the crematoria industry. Since the late 1970's private investors have invested in this area, marketed well, and becoming profitable. Lea Fields compete with the private investors in this highly competitive and fast-changing environment, seeking new information and inviting innovation to ensure a sustainable business model.



Customer expectations continue to rise in the bereavement industry and is constantly evolving, driven by greater choice. Whilst ensuring that Lea Fields remains true to the West Lindsey District Council ethos, we also understand and appreciate that change is essential for survival in this highly competitive and fast-changing environment.

## 6. Proposed Charges

The proposed charges are outlined in the table below.

Direct cremations maximise staff time and use of equipment that may otherwise not be utilised at less favourable times during the day. Other Crematoriums have reduced their Direct Cremations service fees by as much as £100 to try to increase their market share. Direct Cremations play an important part of our service and running cost efficiency, to remain competitive we are proposing to only increase this fee by £1.50 (0.3%) and round the charge to £465.

Cremation services have been increased by 2.5% rather than inflation at 3.9%. This decision has been made to ensure we stay competitive with other Cremation providers. This is especially important as we are still establishing ourselves in the market.

Secondary spends, ie memorials, which can be considered a luxury item, have been increased by inflation at 3.9%.

Strewing/scattering of cremated remains in our Garden of Remembrance from another crematorium has been frozen at the current rate of £55. As we have not

been able to allow any scattering of remains we feel it would be wrong to increase this price as we begin to be able to offer this service. It is important to try to attract these customers as we look to embed Lea Fields Crematorium in the local community, this could lead to families choosing Lea Fields for future services taking place at our crematorium, it will also encourage memorial sales for loved ones scattered here.

## 7. Impact on Medium Term Financial Plan (MTFP)

Not Final Table – needs updating

	2022/23 (£)	2023/24 (£)	2024/25 (£)	2025/26 (£)	2026/27 (£)
Current Budget in MTFP	(549,000)	(593,000)	(594,300)	(594,700)	(594,700)
Proposed Budget - Leased Memorials	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Proposed Budget - Book of Remembrance	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Proposed Budget - Chapel Tributes	(15,600)	(15,600)	(15,600)	(15,600)	(15,600)
Proposed Budget - Chapel	(11,200)	(11,800)	(12,200)	(12,600)	(12,700)
Proposed Budget - Cremations	(544,600)	(572,300)	(573,700)	(573,800)	(573,800)
Impact on MTFP 2022/23 Pressure/ (Saving)	(27,600)	(11,900)	(12,400)	(12,500)	(12,600)

## 8. Recommendation

Members are requested to recommend to Council the charges for 2022/2023 as illustrated in the schedule below

## Prosperous Communities Committee

## Crematorium

		2021/22		Proposed Increase / (Decrease)		2022/23		VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
		£	%	£	£	£	£	£	£	
Cremation		£829.00	2.5%	£21.00	£850.00	£0.00	£850.00			X
Early start (09:00 & 09:45)		£669.50	2.5%	£16.50	£686.00	£0.00	£686.00			X
Direct Cremation (no attendance 08:45)		£463.50	0.3%	£1.50	£465.00	£0.00	£465.00			X
Body parts/slides and blocks		£77.50	2.6%	£2.00	£79.50	£0.00	£79.50			X
Saturday service (with discussion with Manager)		£1,161.00	2.5%	£29.00	£1,190.00	£0.00	£1,190.00			X
Late cancellation fee (cancellations within 72 hours of service)		£113.50	2.6%	£3.00	£116.50	£0.00	£116.50			X
Chapel fee (extension 20 minutes)		£180.50	2.5%	£4.50	£185.00	£0.00	£185.00			X
Chapel fee (extension 40 minutes)		£232.00	2.6%	£6.00	£238.00	£0.00	£238.00			X
Memorial Service (45mins)		£232.00	2.5%	£5.80	£237.80	£1.00	£238.80			X
Strewing/scattering of cremated remains from elsewhere		£55.00	0.0%	£0.00	£55.00	£0.00	£55.00			X
Witnessed scattering		£20.00	5.0%	£1.00	£21.00	£0.00	£21.00			X
The Farewell Service	A 10 minute service, for 6 mourners, 1 piece of music played on repeat. No minister.	£515.00	2.5%	£13.00	£528.00	£0.00	£528.00			X
Webcast recording		£40.00	3.8%	£1.50	£41.50	£8.30	£49.80			S
Webcast recording (available for 28 days and download)		£45.00	4.4%	£2.00	£47.00	£9.40	£56.40			S
DVD recording (1st copy)		£50.00	4.0%	£2.00	£52.00	£10.40	£62.40			S
DVD recording (each subsequent copy)		£25.00	4.0%	£1.00	£26.00	£5.20	£31.20			S
Visual tribute (1 photograph)		£15.00	3.3%	£0.50	£15.50	£3.10	£18.60			S
Visual tribute (2-25 photographs)	Slideshow played on a loop throughout service	£40.00	3.8%	£1.50	£41.50	£8.30	£49.80			S
Pro Visual tribute (2-25 photographs)	Professionally edited slideshow	£66.67	4.2%	£2.83	£69.50	£13.90	£83.40			S
Visual tribute (for additional 25 photos)	Both standard and professionally edited slideshow	£25.83	4.5%	£1.17	£27.00	£5.40	£32.40			S
Video tribute (up to 5 minutes)		£35.00	4.3%	£1.50	£36.50	£7.30	£43.80			S
DVD containing the tribute (1st copy)		£25.00	4.0%	£1.00	£26.00	£5.20	£31.20			S
DVD containing the tribute (each subsequent copy)		£20.00	5.0%	£1.00	£21.00	£4.20	£25.20			S
Extra work (Pro tribute)		£17.50	0.0%	£0.00	£17.50	£3.50	£21.00			S
Downloadable copy of Visual Tribute		£10.00	5.0%	£0.50	£10.50	£2.10	£12.60			S
Book of Remembrance (2 lines)		£75.00	4.0%	£3.00	£78.00	£15.60	£93.60			S
Book of Remembrance (each additional line) (to a maximum of 8 lines)		£8.33	2.0%	£0.17	£8.50	£1.70	£10.20			S
Book of Remembrance (illustrations)	plus Admin Fee £10-£30 dependent on requirements	POA			£0.00	POA	POA			S
Miniature book (leather - 2 lines)		£90.00	3.9%	£3.50	£93.50	£18.70	£112.20			S
Miniature book (leather - 5 lines)		£110.00	4.1%	£4.50	£114.50	£22.90	£137.40			S
Miniature book (leather - 8 lines)		£120.00	3.8%	£4.50	£124.50	£24.90	£149.40			S
Memorial card (2 lines)		£40.00	3.8%	£1.50	£41.50	£8.30	£49.80			S
Memorial card (5 lines)		£60.00	4.2%	£2.50	£62.50	£12.50	£75.00			S
Memorial card (8 lines)		£70.00	3.6%	£2.50	£72.50	£14.50	£87.00			S
Additional inscription to existing books and cards		£18.33	3.7%	£0.67	£19.00	£3.80	£22.80			S

	Floral design (available for 5 and 8 lines only)	£40.00	3.8%	£1.50	£41.50	£8.30	£49.80	S
	Caskets *	£45.00	4.4%	£2.00	£47.00	£9.40	£56.40	S
	Temporary deposit of Cremated remains per month after initial month	£10.00	5.0%	£0.50	£10.50	£2.10	£12.60	S
***	Sanctum 2000 vault (leased for 10 years) including up to 80 letters **	£791.67	6.0%	£47.83	£839.50	£167.90	£1,007.40	S
***	Sanctum 2000 vault - per letter above 80	£1.75	14.3%	£0.25	£2.00	£0.40	£2.40	S
***	Barbican memorial (space lease for 5 years) **	£192.50	6.0%	£11.50	£204.00	£40.80	£244.80	S
***	Mulberry Tree - per leaf, space leased for 5 years **	£137.50	4.0%	£5.50	£143.00	£28.60	£171.60	S

\* If a casket is sold as part of a funeral package it will be exempt from VAT, if supplied on its own it will be standard rated

\*\* Sanctum 2000 vault/Barbican memorial/Mulberry tree - additional artwork/photo plaque can be provided - POA (plus Admin Fee £10-£30 dependent on requirements)

\*\*\* When a Mulberry leaf, Barbican plaque or Sanctum vault is purchased there will be a 10% discount applied to any book of remembrance purchase.