

FEES AND CHARGES REPORT

APPENDIX 15 – 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 line with the Bereavement Strategy and 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.

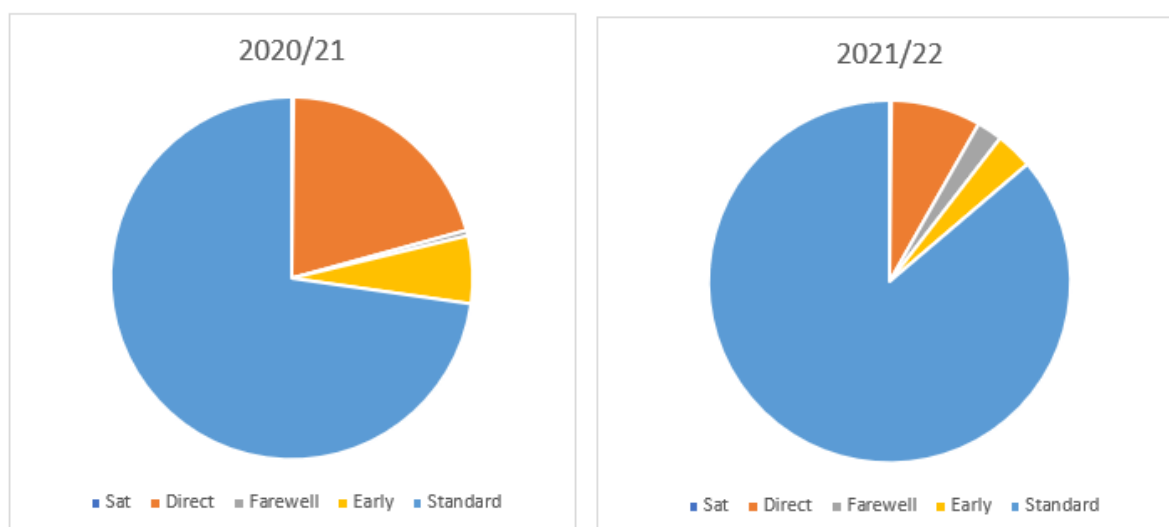
2. Prior years analysis, current financial year projections

Since the first service on 3rd February 2020 to 7th October 2022 the Crematorium has performed 1,490 services and have served 50 different Funeral Director companies. Lea Fields continues to receive positive feedback from both funeral directors and families.

The table below shows the actuals cremations figures for 2019/2020, 2020/2021, 2021/22 and the forecast 2022/2023 figures. In 2019/2020 the service was only operational for two months.

	2019/20	2020/21	2021/22	2022/23
Number of Cremations	73	598	573	675
Income from Cremations	(55,150)	(431,552)	(451,424)	(542,300)

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. 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. We are currently the most expensive standard service by £25.

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 reasonably 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.

	N Lincs actual - 2022	Lincoln actual - 2022	Babworth actuals - 2022	Barnby Moor actuals - 2022	Barnby moor wef April 2022	WLDC - 2022
Cremation - Adult 17+ years (inc. Med Ref fee and environment fee)						
Body parts / slides and blocks	66.00	85.00	N/A	0.00	N/A	79.50
Cremation Child up to and including 16	715.00	0.00	FOC	FOC	FOC	850.00
Mon-Fri Cremation - Adult 17+ years (inc. Med Ref fee and environment fee)	715.00	830.00	825.00	825.00	825.00	850.00
Saturday Service - with discussion with Manager	0.00	0.00	1,125.00	1125.00	1230.00	1,190.00
Direct cremation (no attendance)	515.00	495.00	430.00	445.00	N/A	465.00
Direct cremation (with attendance)	600.00	N/A	N/A	N/A	N/A	528.00
Simple cremation service tues/wed 09.00 & 9.20 only if different		N/A	525.00	680.00	700.00	686.00
Cremation service 09:00 and 09:45 with no option to extend		N/A	525.00	680.00	700.00	686.00
Late cancellation fee (cancellations within 72 hours of service)	150.00	N/A	N/A	105.00	N/A	116.50
Organist	No	N/A	N/A	N/A	55.00	N/A
Chapel fee ext 20 mins	150.00	190.00	330.00	150.00	325.00	185.00
Chapel fee ext 40 mins	200.00	380.00	330.00	365.00	325.00	238.00
Strewing/burying of cremated remains from elsewhere	75.00	103.00	N/A	FOC	69.00	55.00

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 suggested that market demand is shifting in the type of services preferred. The choice to have a direct cremation has increased significantly in the sector. Whilst we have recognised this trend and the risks associated with this Lea Fields Crematorium has not yet noticed the shift in demand, but we are keeping this under review as 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 based on the fees proposed for 2022/23 and 2% increase for each following year.

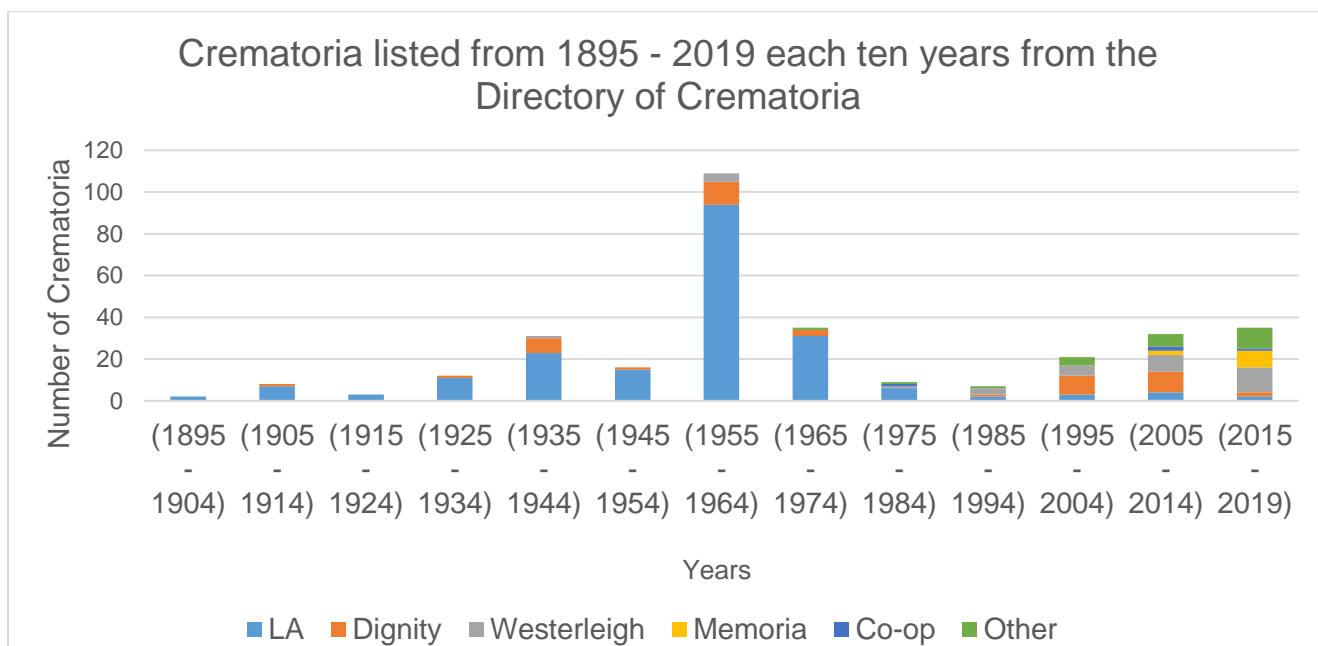
Split By Services Type	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Saturday Service	1	1	0	0	0	0	0
Direct Cremation	123	46	47	48	50	51	52
Farewell Service	3	13	20	21	21	22	22
Early Service	36	19	27	28	28	29	30
Standard Service	435	494	581	595	610	625	641
Totals Cremation Services	598	573	675	692	709	727	745

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

Percentage Split By Service Type	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Saturday Service	0%	0%	0%	0%	0%	0%	0%
Direct Cremation	21%	8%	7%	7%	7%	7%	7%
Farewell Service	1%	2%	3%	3%	3%	3%	3%
Early Service	6%	3%	4%	4%	4%	4%	4%
Standard Service	73%	86%	86%	86%	86%	86%	86%
Total	100%	100%	100%	100%	100%	100%	100%

4. Understanding Customers and Markets

Local Authority operated crematoria no longer have the monopoly in the crematoria industry. Private investors control a large number of crematorium service provision locations around the UK and have also invested in this area. They have developed a multiple marketing strategy, using TV advertising as an effective tool to promote their offer and pursue a greater market share, brand awareness and sales revenue. Lea Fields compete with both neighbouring Local Authorities and private investors in this highly competitive and fast-changing environment. We seek new information and invite innovation to ensure a sustainable business model that equals both our private and local authority competitors.



Customer expectations continue to rise in the bereavement industry and it is constantly evolving, driven by greater choice and easily accessible information. 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.

5. 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 freeze the charge at £465.

Cremation services have been increased by 2% rather than inflation at 6%. 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. However, Saturday Service, Chapel extensions and Memorial services have been increased by 6% inflation as this is a luxury service.

Leased memorials, which can be considered a luxury item, have been increased by inflation at 6%. This is to reflect the increased shipping costs of granite.

Chapel Tributes are frozen to enhance our offer and encourage take up to widen our reach. If Obitus increase their charges we will do an additional request in year to increase.

To encourage strewing/scattering of cremated remains into our Garden of Remembrance from another crematorium and potential memorial sales our fee has been frozen at the current rate of £55. 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.

These changes reflect the charging regime in the Lea Fields Business Plan approved by Members earlier this year.

6. Impact on Medium Term Financial Plan (MTFP)

	2023/24 (£)	2024/25 (£)	2025/26 (£)	2026/27 (£)	2027/28 (£)
Current Budget in MTFP	(648,700)	(710,100)	(710,100)	(710,500)	(710,500)
Proposed Budget - Leased Memorials income - Barbican	(1,700)	(1,700)	(1,900)	(2,200)	(2,200)
Proposed Budget - Leased Memorials income - Mulberry Tree	(1,200)	(1,200)	(1,400)	(1,600)	(1,600)
Proposed Budget - Leased Memorials income - Sanctum Vault	(1,600)	(1,700)	(1,800)	(1,800)	(1,800)
Proposed Budget - Book of Remembrance	(3,300)	(3,500)	(3,700)	(3,900)	(3,900)
Proposed Budget - Chapel Tributes	(19,400)	(21,100)	(23,000)	(25,100)	(25,100)
Proposed Budget - Chapel income - 20m ext	(4,700)	(4,800)	(5,900)	(6,600)	(6,600)
Proposed Budget - Cremations - Direct	(22,800)	(24,200)	(25,300)	(26,300)	(26,300)
Proposed Budget - Cremations - Early Start	(19,600)	(20,000)	(21,100)	(22,300)	(22,300)
Proposed Budget - Cremations - Farewell	(11,300)	(11,500)	(12,300)	(12,600)	(12,600)
Proposed Budget - Cremations - Standard	(515,900)	(539,900)	(564,400)	(591,000)	(591,000)
Impact on MTFP 2023/24 Pressure/ (Saving)	47,200	80,500	49,300	17,100	17,100

7. Recommendation

Members are requested to recommend to Council the charges for 2023/2024 as illustrated in the schedule below:

Prosperous Communities Committee

Crematorium

2022/23	Proposed Increase / (Decrease)		2023/24	VAT Amount	2023/24 Charge Inc. VAT	VAT Rate
£	% Type	or £	£	£	£	

Cremation			£850.00	2.0%	£17.00	£867.00	£0.00	£867.00	X
Early start (09:00 & 09:45)			£686.00	2.0%	£14.00	£700.00	£0.00	£700.00	X
Direct Cremation (no attendance 08:45)			£465.00	0.0%	£0.00	£465.00	£0.00	£465.00	X
The Farewell Service	A 10 minute service, for 6 mourners, 1 piece of music played on repeat. No minister.		£528.00	2.1%	£11.00	£539.00	£0.00	£539.00	X
Body parts/slides and blocks			£79.50	6.3%	£5.00	£84.50	£0.00	£84.50	X
Saturday service (with discussion with Manager)			£1,190.00	6.0%	£71.00	£1,261.00	£0.00	£1,261.00	X
Late cancellation fee (cancellations within 72 hours of service)			£116.50	5.6%	£6.50	£123.00	£0.00	£123.00	X
Chapel fee (extension 20 minutes)			£185.00	5.9%	£11.00	£196.00	£0.00	£196.00	X
Chapel fee (extension 40 minutes)			£238.00	5.9%	£14.00	£252.00	£0.00	£252.00	X
Memorial Service (45mins)			£238.00	5.9%	£14.00	£252.00	£0.00	£252.00	X
Strewing/scattering of cremated remains from elsewhere			£55.00	0.0%	£0.00	£55.00	£0.00	£55.00	X
Webcast recording			£41.50	0.4%	£0.17	£41.67	£8.33	£50.00	S
Webcast recording (available for 28 days and download)			£47.00	4.6%	£2.17	£49.17	£9.83	£59.00	S
DVD recording (1st copy)			£52.00	4.2%	£2.17	£54.17	£10.83	£65.00	S
DVD recording (each subsequent copy)			£26.00	2.6%	£0.67	£26.67	£5.33	£32.00	S
Visual tribute (1 photograph)			£15.50	2.1%	£0.33	£15.83	£3.17	£19.00	S
Visual tribute (2-25 photographs)	Slideshow played on a loop throughout service		£41.50	0.4%	£0.17	£41.67	£8.33	£50.00	S
Pro Visual tribute (2-25 photographs)	Professionally edited slideshow		£69.50	1.9%	£1.33	£70.83	£14.17	£85.00	S
Visual tribute (for additional 25 photos)	Both standard and professionally edited slideshow		£27.00	1.9%	£0.50	£27.50	£5.50	£33.00	S
Video tribute (up to 5 minutes)			£36.50	0.5%	£0.17	£36.67	£7.33	£44.00	S
Extra work (Pro tribute)			£17.50	6.0%	£0.00	£17.50	£3.50	£21.00	S
Book of Remembrance (2 lines)			£78.00	0.4%	£0.33	£78.33	£15.67	£94.00	S
Book of Remembrance (each additional line) (to a maximum of 8 lines)			£8.50	-2.0%	-£0.17	£8.33	£1.67	£10.00	S
Book of Remembrance (illustrations)	plus Admin Fee £10-£30 dependent on requirements		POA			POA	POA	POA	S

Miniature book (leather - 2 lines)		£93.50	-0.2%	-£0.17	£93.33	£18.67	£112.00	S
Miniature book (leather - 5 lines)		£114.50	-0.3%	-£0.33	£114.17	£22.83	£137.00	S
Miniature book (leather - 8 lines)		£124.50	0.4%	£0.50	£125.00	£25.00	£150.00	S
Memorial card (2 lines)		£41.50	0.4%	£0.17	£41.67	£8.33	£50.00	S
Memorial card (5 lines)		£62.50	0.0%	£0.00	£62.50	£12.50	£75.00	S
Memorial card (8 lines)		£72.50	0.0%	£0.00	£72.50	£14.50	£87.00	S
Additional inscription to existing books and cards		£19.00	0.9%	£0.17	£19.17	£3.83	£23.00	S
Floral design (available for 5 and 8 lines only)		£41.50	0.4%	£0.17	£41.67	£8.33	£50.00	S
Caskets *		£47.00	1.1%	£0.50	£47.50	£9.50	£57.00	S
Temporary deposit of Cremated remains per month after initial month		£10.50	4.8%	£0.50	£11.00	£2.20	£13.20	S
*** Sanctum 2000 vault (leased for 10 years) including up to 80 letters **		£839.50	6.0%	£50.50	£890.00	£178.00	£1,068.00	S
*** Sanctum 2000 vault - per letter above 80		£2.00	25.0%	£0.50	£2.50	£0.50	£3.00	S
*** Barbican memorial (space lease for 5 years) **		£204.00	5.8%	£11.83	£215.83	£43.17	£259.00	S
*** Mulberry Tree - per leaf, space leased for 5 years		£143.00	6.1%	£8.67	£151.67	£30.33	£182.00	S
*** Mulberry Tree - per leaf with motif, space leased for 5 years		£166.67	6.0%	£10.00	£176.67	£35.33	£212.00	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.