

# 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 passed as a way of coping with the overwhelming grief felt after a death.

Lea Fields has developed its offer as a result of market insight, offering four types of services to meet the differing needs of individuals:

**Cremation services** - Lea Fields Crematorium offer a 45-minute service hourly at 10:30: 11:30: 12:30: 13:30: 14:30 and 15:30.

**Early Start Services**- The 09:00 and 09:45 early start services are at 45-minute intervals and provide 35 minutes maximum service time and 10 minutes to fully vacate the chapel ready for the next service to begin.

**Farewell Service** - Newly added service, a Farewell Service is an attended direct funeral that will give up to 6 family members an opportunity to say their private farewell. Although an Officiant will not be leading, and no eulogy will be said, the family can choose one piece of music to be played throughout this short 10-minute farewell.

**Direct Funerals** - Organised through Funeral Directors, these services are not attended by family or friends, coffins are still received in chapel before cremation.

Additional offerings for enhanced services include Memorial service for burial elsewhere, extended chapel time, webcasting, slideshow and video tributes and DVD production.

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

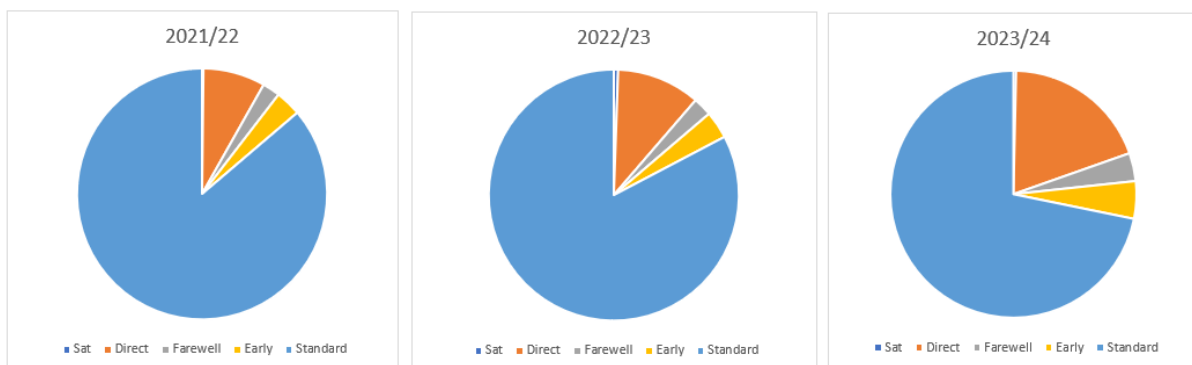
Since the first service on 3rd February 2020 to 29<sup>th</sup> September 2023 the Crematorium has performed 2,050 services and have served 50 different Funeral Director companies. Lea Fields continues to receive positive feedback form both funeral directors and families.

The table below shows the actual cremations figures for 2019/2020, 2020/2021, 2021/2022, 2022/2023 and the forecast 2023/2024 figures. In 2019/2020 the service was only operational for two months.

	2020/21	2021/22	2022/23	2023/24
Number of Cremations	598	573	538	571
Income from Cremations	(431,552)	(450,570)	(418,514)	(439,900)

The pie charts below shows the actual percentage split of the cremation service types provided from 2021/2022 to 2023/2024. During the pandemic ‘Direct Services’ increased in demand from a national average of 3% to 18% in 2022. These may have risen during the pandemic because restrictions were imposed on numbers being allowed to attend a funeral, however the number of Direct Funerals has remained consistently high even after Covid-19 restrictions ended possibly because of the impact of the cost of living crisis or increased awareness.

There appears to be a continuing rise in the number of Direct Services in comparison to Standard Cremation Services. In 2021/2022 Direct services were 8% of our services. In 2022/2023 this rose to 11%. In 2023/2024 we have seen this increase again to 19%. This follows the shift in the national trend towards direct funerals.



### 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 their 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 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.

The following table provides benchmarking data of charges levied at other Crematoria:

Cremation - Adult 17+ years (inc. Med Ref fee and environment fee)	N Lincs - 2022/2023	Lincoln - 2023/2024	Babworth actuals - 2023/2024, now including energy surcharge of £29 applied to all cremations	Barnby moor from website 9th March 2023	Sherwood 2023/2024 now including energy surcharge of £35 applied to all cremations	WLDC - 2023/2024
Mon-Fri Cremation - Adult 17+ years (inc. Med Ref fee and environment fee)	715	960	924	775	1,034	867
Saturday Service - with discussion with Manager	-	-	1,149	1,230	1,534	1,261
Direct cremation (no attendance)	515	520	504	450 or 700	534	465
Direct cremation (with attendance)	600	N/A	N/A	N/A	715	539
Simple cremation service tues/wed 09.00 & 9.20 only if different	N/A	N/A	604	700	841	700

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

Moving forward it is suggested that market demand has shifted in the type of services preferred. The choice to have a direct cremation has increased significantly in the sector. We are keeping these trends under review as this will have an impact of the forecast income as Direct services (£485\*) fees are 46.7% lower than a Standard Service (£910\*).

*\*Being the proposed fees for 2024/2025.*

The forecast is lower than the budgets agreed in the 2022/2023 MTFP in March 2023. This is because of the change in market choice and remaining competitive with our local competitors.

Table below show the forecast demand based on the market against the current budgets agreed. This is based on the fees proposed for 2024/2025 and 3% increase for each following year.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Saturday	1	3	2	2	2	2
Direct	46	60	110	116	120	123
Farewell	13	14	21	23	24	25
Early	19	19	28	30	31	32
Standard	494	442	410	421	445	469
<b>TOTAL FORECAST</b>	<b>573</b>	<b>538</b>	<b>571</b>	<b>592</b>	<b>622</b>	<b>651</b>

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

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Saturday	0%	1%	0%	0%	0%	0%
Direct	8%	11%	19%	20%	19%	19%
Farewell	2%	2%	4%	4%	4%	4%
Early	3%	4%	5%	5%	5%	5%
Standard	86%	83%	72%	71%	72%	72%
<b>TOTAL FORECAST</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 4. Understanding Customers and Markets

Local Authority operated crematoria no longer have the monopoly in the crematoria industry. Private investors control a large portfolio of crematoria 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.

Holding numerous facilities gives the private providers power within the industry, leaving Local Authorities disadvantaged in resources, buying power and resilience. In the last 10 years, 2012 – 2022, the number of cremation providers in the UK increased by 58 of which only 9 were Local Authority.

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 rivals 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 and innovation is essential for survival in this highly competitive and fast-changing environment.

Maximising our cremator at off peak times is essential to running efficiently. One cremator can successfully achieve 5 cremations in a 7.5 hour day; however, this is on the assumption we have a cremation at the start of the day and cremate continuously throughout the day. Our cremating hours are our most valuable asset. We find the early services are often less favourable to our customers despite any financial incentives to increase take up.

In addition to our offer of direct services, usually at 08:45, and early start shorter services at 09:00 and 09:45 we have a further 6 possible hourly services available.

We conduct horizon scanning, best practice and professional judgement as to what additional capacity we can provide each day based on risk and opportunities.

## 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 4.3% increase the charge at £485.

Early start cremation services have been increased above inflation at 14.3% bringing the service charge up to £800 from £700. This increase was based on a cost recovery exercise. This remains £110 cheaper than the Standard service which is proposed to rise by 5% to £910.

Farewell services have been increased by 3% and Saturday services by 5%.

These decisions have 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, Chapel extensions and Memorial services have been increased by 6% inflation as this is considered a luxury add on to a service.

Leased memorials, which can be considered a luxury item, have been increased by above inflation as the purchase costs have increased dramatically due to the increased shipping costs of granite.

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

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

	2024/25 (£)	2025/26 (£)	2026/27 (£)	2027/28 (£)	2028/29 (£)
Current Budget in MTFP	(624,400)	(659,500)	(695,700)	(702,500)	(706,500)
Proposed Budget - Chapel income - 20 minute extension	(2,700)	(3,800)	(4,500)	(4,500)	(4,500)
Proposed Budget - Barbican Memorial	(1,700)	(1,900)	(2,200)	(2,200)	(2,200)
Proposed Budget - Book of Remembrance	(3,000)	(3,200)	(3,400)	(3,400)	(3,400)
Proposed Budget - Direct Cremations	(56,300)	(60,000)	(63,300)	(66,800)	(68,800)
Proposed Budget - Early Start Cremation	(24,000)	(25,500)	(27,200)	(28,800)	(29,700)
Proposed Budget - Farewell Cremation	(12,800)	(13,700)	(14,700)	(15,800)	(16,300)
Proposed Budget - Memorial Service (45 mins)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Proposed Budget - Mulberry Tree	(1,500)	(1,700)	(1,900)	(1,900)	(1,900)
Proposed Budget - Standard Cremation	(383,000)	(416,800)	(452,800)	(492,900)	(537,700)
Proposed Budget - Sanctum 2000 Vault	(2,700)	(2,700)	(2,800)	(2,900)	(3,000)
Proposed Budget - Chapel Fee Extension	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Proposed Budget - Chapel Tributes income	(19,400)	(21,300)	(23,400)	(23,400)	(23,400)
Impact on MTFP 2024/25 Pressure/ (Saving)	115,300	106,900	97,500	57,900	13,600

## 7. Recommendation

Members are requested to recommend to Council the charges for 2024/2025 as illustrated in the schedule below:

Prosperous Communities Committee

Crematorium

2023/24	Proposed Increase / (Decrease)		2024/25	VAT Amount	2024/25 Charge Inc. VAT	VAT Rate
£	% Type	or £	£	£	£	

	Cremation		£867.00	5.0%	£43.00	£910.00	£0.00	£910.00	X
	Early start (09:00 & 09:45)		£700.00	14.3%	£100.00	£800.00	£0.00	£800.00	X
	Direct Cremation (no attendance 08:45)		£465.00	4.3%	£20.00	£485.00	£0.00	£485.00	X
	The Farewell Service	A 10 minute service, for 6 mourners, 1 piece of music played on repeat. No minister.	£539.00	3.0%	£16.00	£555.00	£0.00	£555.00	X
	Body parts/slides and blocks		£84.50	6.5%	£5.50	£90.00	£0.00	£90.00	X
	Saturday service (with discussion with Manager)		£1,261.00	5.0%	£63.00	£1,324.00	£0.00	£1,324.00	X
	Late cancellation fee (cancellations within 72 hours of service)		£123.00	5.7%	£7.00	£130.00	£0.00	£130.00	X
	Chapel fee (extension 20 minutes)		£196.00	6.1%	£12.00	£208.00	£0.00	£208.00	X
	Chapel fee (extension 40 minutes)		£252.00	6.0%	£15.00	£267.00	£0.00	£267.00	X
	Memorial Service (45mins)		£252.00	6.0%	£15.00	£267.00	£0.00	£267.00	X
	Strewing/scattering of cremated remains from elsewhere		£55.00	0.0%	£0.00	£55.00	£0.00	£55.00	X
	Webcast recording - Live Only	Stream a service live on request	£41.67	0.0%	£0.00	£41.67	£8.33	£50.00	S
Bundle	Webcast recording - Live & On Demand	Stream a service live and watch on demand for a further 28 days, with the option to download	£49.17	1.7%	£0.83	£50.00	£10.00	£60.00	S
Bundle	DVD, USB, Blue-Ray, Audio CD	A keepsake copy of the service, Tribute, or both. If purchased as part of the Bundle choose from USB or DVD.	£54.17	0.0%	£0.00	£54.17	£10.83	£65.00	S
Bundle	Halo Photo	First photo is free, second is chargeable. One photo is included if purchased as part of the Bundle.	£15.50	7.5%	£1.17	£16.67	£3.33	£20.00	S
Bundle	Music Slideshow	A beautifully simple photo tribute of up to 25 photos, timed to their chosen piece of music with fade transitions.	£70.83	2.4%	£1.67	£72.50	£14.50	£87.00	S
Bundle	Obitus Bundle	10% saving vs individual sale price (total £209 incl. VAT)	£156.67	1.1%	£1.66	£158.33	£31.67	£190.00	S
	DVD recording (each subsequent copy)		£26.67	0.0%	£0.00	£26.67	£5.33	£32.00	S
	Visual tribute (1 photograph)	First photo is free, second is chargeable.	£15.83	5.3%	£0.84	£16.67	£3.33	£20.00	S
	Basic Slideshow	Photo slide show of up to 25 photos with simple transitions that can be either played in loop throughout the service at a specific point in the service, not timed to music.	£41.67	4.0%	£1.66	£43.33	£8.67	£52.00	S
	Themed Tribute	A photo montage with a difference; users can choose from a range of themes and have up to 25 photos professionally edited and timed to their chosen piece of music.	£83.33	0.0%	£0.00	£83.33	£16.67	£100.00	S
	Bespoke Tribute	A professionally crafted bespoke tribute for the service by our in-house media team. Families and arrangers will have access to a "bespoke concierge" to create something unique and personal.	£333.33	0.0%	£0.00	£333.33	£66.67	£400.00	S
	Visual tribute (for additional 25 photos)	Both standard and professionally edited slideshow	£27.50	0.0%	£0.00	£27.50	£5.50	£33.00	S
	Video tribute (up to 5 minutes)	A family supplies video tribute	£36.67	0.0%	£0.00	£36.67	£7.33	£44.00	S
	Video Book	A keepsake Video Book displaying the service, Tribute, or both.	£79.17	5.3%	£4.16	£83.33	£16.67	£100.00	S
	Memory Box	A premium quality Memory Box with 25 printed photos, a keepsake USB and a keepsake DVD displaying the Live Stream/ Tribute, or both if both products were chosen	£116.67	3.6%	£4.16	£120.83	£24.17	£145.00	S
	A download link of the pro-tribute		£20.00	0.0%	£0.00	£20.00	£4.00	£24.00	S
	Extra work (Pro tribute)		£17.50	4.7%	£0.83	£18.33	£3.67	£22.00	S

Prosperous Communities Committee

Crematorium

2023/24	Proposed Increase / (Decrease)		2024/25	VAT Amount	2024/25 Charge Inc. VAT	VAT Rate
£	% Type	or £	£	£	£	

Book of Remembrance (2 lines)		£78.33	4.3%	£3.34	£81.67	£16.33	£98.00	S
Book of Remembrance (each additional line) (to a maximum of 8 lines)		£8.33	20.0%	£1.67	£10.00	£2.00	£12.00	S
Book of Remembrance (illustrations)	plus Admin Fee £10-£30 dependent on requirements	POA			POA	POA	POA	S
Miniature book (leather - 2 lines)		£93.33	4.0%	£3.75	£97.08	£19.42	£116.50	S
Miniature book (leather - 5 lines)		£114.17	3.6%	£4.16	£118.33	£23.67	£142.00	S
Miniature book (leather - 8 lines)		£125.00	4.0%	£5.00	£130.00	£26.00	£156.00	S
Memorial card (2 lines)		£41.67	4.0%	£1.66	£43.33	£8.67	£52.00	S
Memorial card (5 lines)		£62.50	4.0%	£2.50	£65.00	£13.00	£78.00	S
Memorial card (8 lines)		£72.50	3.4%	£2.50	£75.00	£15.00	£90.00	S
Additional inscription to existing books and cards		£19.17	4.3%	£0.83	£20.00	£4.00	£24.00	S
Floral design (available for 5 and 8 lines only)		£41.67	4.0%	£1.66	£43.33	£8.67	£52.00	S
Caskets *		£47.50	3.5%	£1.67	£49.17	£9.83	£59.00	S
Temporary deposit of Cremated remains per month after initial month		£11.00	13.6%	£1.50	£12.50	£2.50	£15.00	S
*** Sanctum 2000 vault (leased for 10 years) including up to 80 letters **		£890.00	6.0%	£53.33	£943.33	£188.67	£1,132.00	S
*** Sanctum 2000 vault - per letter above 80		£2.50	16.8%	£0.42	£2.92	£0.58	£3.50	S
*** Barbican memorial (space lease for 5 years) **		£215.83	13.5%	£29.17	£245.00	£49.00	£294.00	S
*** Mulberry Tree - per leaf, space leased for 5 years		£151.67	9.9%	£15.00	£166.67	£33.33	£200.00	S
*** Mulberry Tree - per leaf with motif, space leased for 5 years		£176.67	10.8%	£19.16	£195.83	£39.17	£235.00	S
Memorial Glass Offering - Robin Ornament	Individual handmade ashes into glass ornaments containing a small amount of loved ones ashes and comes with a certificate of authenticity.	£95.83	0.0%	£0.00	£95.83	£19.17	£115.00	S
Memorial Glass Offering - Memorial Bauble with Stand		£120.83	0.0%	£0.00	£120.83	£24.17	£145.00	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.