

## Consultation response from the South Wales (including Bristol) Bereavement Services Forum

### General issues:

- Overall the group consider that the CMA report is only considering cremation and not burials. There is a rising burial need as emerging communities require burials and therefore, more land use. Land is now a limited resource and burial authorities have to compete with housing demands for land which has in turn caused the land cost to rise considerably. In order to make burials sustainable part of the solution may be to extend grave re-use to all Local Authorities and not just the London Authorities. This does link to the CMA review as many Local Authority Bereavement Services use cremation surplus to offset the rising grounds maintenance costs of cemeteries. If cemeteries were more sustainable and reuse permitted cremation fees could be held at a more static position.
- Over the past ten years, local authority crematoria have increased their fees in order to offset the cost of mercury abatement costing approximately £1 million. These works have included not only the abatement equipment but additionally new cremators and in some circumstances a remodel and extension of their existing premises. Additionally there are the ongoing maintenance costs associated with dealing with the abatement of emissions from crematoria. Local Authorities are also managing services in much older buildings with ageing infrastructure that the private sector are not, which leads to increased costs on building maintenance and utility costs as many are not particularly fuel efficient for heating etc.
- It is considered that a report paints a poor picture of what local authority crematoria provide as the majority now provide Visual tributes, web casting etc. as the norm. Additionally, there are effective quality measures via the ICCM Charter for the Bereaved Assessment process and more focus should be given to crematoria achieving these standards in order to improve customer experiences.
- It is evident that privately run crematoria have significantly increased their fees but that this has led to Local Authority crematoria matching them rather than decreasing their fees in some areas.
- Local Authorities are also hampered with looking into establishing a new crematoria as they are often threatened with judicial reviews by private enterprises and in many cases Local Authorities are risk averse or simply find it easier to allow the private sector to operate in their area to serve the public needs.

### ***9.1 The CMA considers that this interim report identifies significant concerns about the effectiveness of competition in relation to the supply of services by funeral directors at the point of need and the supply of crematoria services in the UK.***

- The regulation of funeral directors as per Scotland would be a good idea to ensure their compliance with regulations and transparency. It is noted that anyone can become a funeral director and that there is no recourse if things go wrong except to Trading Standards. Funeral Directors should become licensed and this could be managed by Local Authorities who already license and inspect a number of types of businesses.
- The bereaved are often guided by their Funeral Director which crematorium to use. The Funeral Director, in many instances also controls the time of the funeral to suit their own business needs (i.e. managing funerals to ensure least use of staff time and vehicle utilisation).

- The group are unaware of any crematorium operating at full capacity – often unused service times (early in the morning or late afternoon for example) are rarely used as funeral directors may prefer not to use them.
- There are barriers in the way of Local Authorities providing additional crematoria as planning will often look at land as a resource for housing, allotments etc. or face a judicial review and planning issues if looking to establish a new crematorium.
- The group would disagree with the statement in 8:34. The market is simply the reality of delivery rather than anything else.

**9.2 As set out in section 8, where the CMA has published a market study notice, it is incumbent on the CMA to consider whether it is appropriate to make a market investigation reference (MIR). Where the CMA proposes to make a MIR, it must consult on that proposed decision.**

- Reality is that families drive the market. Although there are direct cremations there is still often a need for a ritual;
- Funeral Directors are generally locally chosen for their convenience, name and trust;
- The study needs to be Regionally/Locally focussed rather than national.

**9.3 The CMA may make a MIR where:**

**(a) The CMA has reasonable grounds to suspect that any feature or combination of features of a market in the UK for goods or services prevents, restricts, or distorts competition in the connection with the supply or acquisition of any goods or services in the UK or a part of the UK (the reference test); and**

**(b) The CMA considers it is appropriate to exercise its discretion to make a MIR.**

- The group agreed that the CMA should proceed to a fuller study via a MIR and take on board the views of the group expressed in this document and consult further on a regional basis with wider groups.

**9.4 As set out in section 8 the CMA has provisionally concluded that the reference test is met and that it would be appropriate to make a reference in relation to both the supply of services by funeral directors at the point of need and the supply of crematoria services in the UK.**

- 8:25 – cost is often not a consideration for people, choice is the main consideration.
- 8:26 – the group agreed with the statement, however the study needs to ensure that the same fees are being looked at and considered to make a ‘like for like’ comparison from public to privately operated crematoria. Private crematoria tend to dissect their overall cremation fee into a number of non-optional fees to make a single cremation fee whereas Local Authorities tend to publish a complete all-inclusive cost.
- 8:27 & 8:28 – the group agree with the statements but would add that the public do not compare crematorium fees except on rare occasions and their decision is guided by their Funeral Director’s availability (cars, staff, distance etc. ) and guidance.
- 8:30 – would agree that the study would need to be locally referenced.
- Additionally, there is a lot of concern about cremation fees (£340 million) but this is small in comparison to the whole funeral market (£1.3 billion).
- 8:54 –although this is a good point the group would disagree. Local authorities in this area are not putting up their fees because the private sector has as the majority are within the bottom quartile. Average fees are being disproportionately increased by the private sector

and their fees are often at different rates throughout the day (selling earlier times cheaper for example).

- Local Authorities increased costs have in the most part driven improved services, the replacement of old cremators and the installation of abatement equipment. Additionally a lot of local authority run crematoria are in older buildings which require a lot of maintenance.

**9.5 Accordingly, the CMA is now commencing a period of consultation in relation to its proposal to make such a reference. We attach at Appendix F draft terms of reference. We would welcome respondents' comments on that draft.**

- The group would agree with the terms of reference being considered, however within the crematorium terms of reference it is felt that the Medical Referee fee needs to be considered as this varies considerably throughout the UK.

**9.6 The CMA welcomes representations from interested parties on the provisional decision set out in this document. The CMA wishes to stress the importance of the consultation process in assisting the CMA's decision making and urges interested parties to engage with the consultation. Respondents may wish to reply in relation to the supply of services by funeral directors at the point of need, in relation to the supply of crematoria services, or both. In doing so, respondents may wish to consider the following questions:**

- **Do you consider that the CMA's analysis is correct with respect to the suspected features of concern in the supply of:**

**- services by funeral directors at the point of need (see paragraph 8.31); and**

**- crematoria services (see paragraph 8.33)?**

- **Do you consider that the CMA's analysis is correct with respect to the reference test being met in relation to the supply of:**

**- services by funeral directors at the point of need (see paragraphs 8.12 to 8.37); and**

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**- crematoria services (see paragraphs 8.12 to 8.37)?**

- **Do you agree with the CMA's proposal to exercise its discretion to make a reference in relation to the supply of services by funeral directors at the point of need and the supply of crematoria services (see paragraphs 8.38 to 8.96)?**

**• Do you consider the proposed scope of the reference, as set out in the draft terms of the reference in Appendix F, would be sufficient to enable any adverse effect on competition (or any resulting or likely detrimental effects on consumers) caused by the features referred to in paragraphs 8.31 and 8.33 to be effectively and comprehensively remedied?**

- **Do you consider that the features which the CMA has identified that may prevent, restrict or distort competition are capable of being effectively and comprehensively remedied by UILs (undertakings in lieu of a MIR)?**

**• Do you have any views on our current thinking on the types of remedies that an MIR could consider (see paragraphs 8.66 to 8.86 above)? Are there other measures we should consider?**

- Please see previous comments from the group in relation to some of the paragraphs identified above.
- As with all outcomes, it is the enforceability of the recommendations which is key. It is well known that Local Authorities will comply with recommendations but the private sector will only comply if it is economically viable of them to do so. There must be some form of recourse for consumers to follow if they are unhappy with either a funeral director or a privately operated crematorium service, with Local Authority crematoria there is the Local Government Ombudsman that can be used.
- Some of the solutions identified are dependent upon the public shopping around which at a time of bereavement when they may just want someone to guide them through an unknown process. The bereaved will often choose a local FD whom they 'know' of and so trust.
- Online comparison sites are a good way forward but again these can be distorted with subscription fees i.e. Funeral directors paying to be higher up the list of results and advertising within the site.
- 8:72 & 8:73 – fully agree with the licensing of Funeral Directors and their regulation but feel that this could be devolved to a Local Authority level.
- 8:78 – need to reference and determine what full cost recovery is and define its scope as well as remembering that there are already local government restraints in place. The group agreed that full cost recovery should be the objective of local authority run services but it needs to be clearer what this includes, for example does this extend to burial services, HR and Legal Services provided by the council or indeed to other departmental costs and savings targets, which would not be associated with the crematorium except because of the Bereavement Services position within the local authority structure e.g. the cemeteries and cremation service forming part of a larger Environmental Services department.
- 8:79 – this may be a good idea but it may not offer competition and there may be additional 'hidden' costs associated with franchises. The use of planning and planned pricing as part of a tender would be good.
- 8:82 – given that crematoria generate income it is unlikely that Local Authorities would choose to put them out to tender. Additionally, the crematorium is often placed within a cemetery environment run by the authority and the ageing infrastructure will probably make taking over the running of a local authority crematorium unattractive to the private sector.
- 8:83 – this is not a feasible idea.
- One of the areas which has been discussed is what actual powers do the CMA have. It would have been useful to know when considering the document.

**9.7 The CMA would particularly welcome any specific evidence from respondents in support of their views.**

**9.8 In addition to the above, the CMA would also welcome evidence and views on the following matters:**

**(a) Quality of care of the deceased: we have received anecdotal evidence that there may be varying standards of care being applied by funeral directors and would like to understand how**

*widespread such issues may be. We would therefore like to hear from people who have witnessed standards of care which they considered to be unacceptably low.*

*(b) Issues specific to religious groups that are not covered in this report: we have focused our work on the transactional aspects of funerals involving funeral directors and crematoria. We believe that the issues we have identified in relation to those specific aspects would essentially be similar across all faiths (to the extent that the way they organise funerals involves transactions with funeral directors or crematoria). We are keen to find out whether we may have overlooked any issue of relevance and will seek to engage actively with the representatives of the major faiths.*

- The study does not cover burials in any form and as such does not consider those groups for whom burial is the only option. Within this group there is a growing need for the provision of burial sections for these communities and faith groups. This does link to the CMA review as many Local Authority Bereavement Services use cremation surplus to offset the rising costs of purchasing burial land and the ongoing grounds maintenance costs of cemeteries. If cemeteries were more sustainable and reuse permitted cremation fees could be held at a more static position.