



ICCM Response to CMA Consultation on the Funerals Market

The ICCM welcomes the CMA report and would support a Market Investigation by an independent group of CMA panel members. The ICCM would be keen to meet with the investigators and assist with the investigation.

The ICCM makes the follow observations and comments on the interim report and proposed further investigation:

Burial

Burial and cemeteries are currently unsustainable, and hence why the private sector has no great interest in providing this service. Cemeteries are not a commercial proposition as can be seen from the Chartered Institute of Public Finance annual surveys that show the vast majority of authorities subsidising their burial services.

When a cemetery becomes full an authority is faced with some difficult decisions. Should it build a new cemetery at considerable cost and escalate its maintenance costs? Most authorities will make this decision over ceasing to provide a burial service however the decision will inevitably have an impact on fees charged. Alternatively, an authority could cease to provide a burial service, which seems unthinkable but has been made by at least two London authorities.

The only logical means of halting rises in cemetery fees is to bring forward legislation for the reuse of old abandoned graves. Such legislation is available for London local authorities but is limited, and hence some London authorities have turned to the Church of England who will grant Faculty to reuse old abandoned graves on consecrated public areas of their cemeteries. Interestingly, The Burial & Cremation (Scotland) Act 2016 empowers ALL providers of burial grounds in Scotland to reuse old abandoned graves once regulations are drafted.

Until such legislation is made available the number of costly, public funded cemeteries will increase adding to the spiral of fee increases. If Local Authorities were able to reuse old graves, cemeteries could at last become sustainable, land could be put to better use and the increasing maintenance costs vs no income of full burial grounds could reduce. This in turn reduces the amount of cremation fees used to offset the overall cemetery and crematorium service.

Whilst cremation accounts for the highest percentage of disposals, burial remains the only option for some communities and faith groups. Burial must therefore continue to be an affordable, local option for those that require or choose it. As the private sector are showing little interest in establishing new cemeteries (and history has shown that private sector cemeteries rarely succeed), this will undoubtedly continue to be a local authority function, thereby putting pressure on local authority budgets.

Local Authorities

Cuts to local authority spending should not go unnoticed. For many local authorities, the cremation and burial service is inextricably linked, with surplus income from the crematorium service being used to support the loss-making burial service. As cuts to local authority funding from central government deepen, local authority crematorium services are becoming under increasing pressure to raise a surplus that can be used to support other areas of the authority. Is this fair? Should bereaved people be supporting social services, for example? Local Authorities must be probed on the cost recovery element of cremation services. Fees vary so much around the UK for what is primarily exactly the same service. Experience tells us that many LA crematoria set fees based around the local market rate rather than to cover operational costs.

Key to this argument is the word 'service'. There is no statutory duty on anyone to provide burial and cremation facilities, but local authorities have traditionally used discretionary powers to provide such services for their communities. Cemeteries were normally subsidised from the general rates and fees for burials and grave purchases have therefore been relatively low and have not reflected the true cost of providing the service. Similarly, local authority cremation fees were traditionally low, often resulting in poorly invested in facilities – chapels with peeling paint and crematorium grounds with pot-holed roads and paths were not uncommon. However, in recent years crematoria have been forced to invest in new equipment to meet environmental regulations, and have taken the opportunity to improve and upgrade their facilities. Many now offer digital music systems, web-casting and recording of services, enhanced memorial provisions and so on. Many have also extended their service times to meet customer expectations and provide more choice. Some have started to offer evening and weekend services to further expand choice. An increasing number are also considering what other enhancements they can offer, such as funeral directing, catering facilities, pet funeral services etc.

With local authority cut-backs, services are having to operate more commercially, with the emphasis now on raising income rather than purely providing a service. Whilst it is right that services should still be invested in and improved, the fundamental question of whether a local authority should be providing a service or running a business needs addressing.

Cremation

In relation to Crematoria a distinction needs to be made between public and private facilities. Fees are often much higher in private crematoria which will argue they provide a better service - is this true and has it ever actually been tested?

The ICCM is aware that managerial and administration staff in many private and public crematoria possess no sector-specific qualifications, and some also lack suitable experience. Accredited training should be a legal minimum requirement to operate a cremator as should suitable accredited industry specific management qualifications for anyone responsible for the running of any crematorium (and/or cemetery).

Recent years have seen an unprecedented number of new crematoria being constructed by the private sector. Many of these new facilities are sited in proximity to existing local authority crematoria which has the effect of diluting business. These private crematoria are generally smaller and hence more economic to run. They generally employ fewer staff, and are not faced with the ongoing maintenance costs of older buildings and equipment. Fees at private sector crematoria are much higher than those at local authority facilities (the ICCM collect cremation and burial fees each year for the Royal London Report on the Cost of Funerals and would be pleased to make these

available to the CMA). Faced with competition, reduced income and the need to maintain their facilities there is the temptation for affected local authorities to price match those private competitors.

There have been initiatives in both some public and private crematoria to offer reduced price cremations, such as at less popular times, or for an unattended service. Crematoria in both sectors will now accommodate direct cremation services, where a cremation only is provided with no service and no attendance by family and friends. Whilst this helps provide a cheaper alternative for families, it is not clear what the longer term impact on this form of 'disposal' will be – will there be guilt in the future for not giving a family member a 'proper send-off'? Are families feeling pressured into this type of cremation? Research into this area is currently taking place and the ICCM are represented on the research panel.

Planning for New Crematoria and Cemeteries

There are no clear guidelines relating to planning considerations for new crematoria. Often an applicant has to prove need, but this is not an exact science and submissions appear to be based on qualitative rather than quantitative data. In 2016 the ICCM surveyed a number of crematoria to ascertain their capacity against take up, and found that the majority of crematoria were operating between 50% and 75% capacity during a busy winter period, indicating that there is capacity in existing crematoria and therefore a questionable requirement for any new crematoria. Whilst it can be argued that the available slots are at less popular times, it would not be feasible to build an endless number of crematoria to meet the public's preference of holding a funeral at lunchtime on a Friday. There must be a sensible discussion of what constitutes enough need to allow for additional crematoria in any particular area.

Burial and cremation facilities should feature in local plans as a matter of course. It is apparent that many authorities fail to consider such facilities when they are planning for housing and other developments.

Funeral Directors

There would appear to be a disparity of charges between the large national chains and local independent (family owned) funeral directors. This fact has been made clear in numerous studies and reports, and amplified by the fact that the CMA is undertaking its own investigation. A few phone calls can establish a price difference of £1500 in the same locality for the same service.

The reluctance/inability of bereaved people to shop around when grieving and the continuation of 'giving a good send off' is part of the problem. This has enabled a continuation of the 'Victorian' funeral and reluctance to change by some funeral directors. It should be understood that there is a growing number of independent funeral directors who empower bereaved customers to arrange a funeral that suits their needs and pocket. It should also be noted that there is no requirement to use a funeral director, and families may make their own arrangements.

In some instances rivalry between funeral directors can have an effect. The need for newer cars with personalised number plates must affect fees charged. Who benefits from this?

Many funeral directors, and particularly some large chains, do not publish their fees. The 'distress purchase' is happening.

Funeral Directors for far too long have been unregulated and able to set up and operate with no training or experience. This in itself is of significant concern however, to not have any experience or

guidance through training of how to cost a funeral accurately and ensure that the family's needs are met at an affordable rate is worrying.

Regulation is needed to ensure that acceptable standards are met and the bereaved are treated appropriately. This needs to be operated independently which could be done at a local and national level and funded by the funeral directing associations. Funeral Directors should be licensed and no person should be allowed to operate as a funeral director unless they have accredited qualifications and are licensed to practice.

It is accepted that Funeral Directors operate a business and employ local people in their area which helps the local economy, however, despite their overheads many make significant profits each year. Whilst this is not in any way wrong it is a concern that more and more funeral directors are turning families away if they cannot provide a significant deposit to at least cover disbursements. This in turn leads to more worry and stress for the bereaved and in many cases leads to either debt to pay for the funeral, or being referred to the Local Authority as Public Health cases which impact on the Council budgets.

Recent Freedom of Information requests to local authorities have highlighted the increase in the number of Public Health funerals being carried out, with the increase being directly attributable to funeral poverty and the inability of some bereaved families to afford a funeral service from a funeral director. Linked to this is the inadequacy of the DWP Funeral Payment, which has not been increased from the current maximum sum of £700.00 towards the funeral director's costs for over 15 years. The process of applying for a funeral payment is complex, and around 46% of claims are rejected. The payment is only available to those on certain types of benefit, with no help available to those who are in work but on low incomes. Even if a claim is successful, the amount of funding given equates to only just over a third of the funeral cost. This leaves many people no other option than to approach the local authority for a public health funeral. It is unfair to expect local authorities to prop up the benefits system in this way, and is unfair on families who are in genuine need of assistance.

Recommendations for CMA Considerations:

- a) introduce legislation for the reuse of old abandoned graves for England & Wales along the same lines as Scotland.
- b) introduce a cap on cremation fees for all providers based on a percentage profit over operating costs.
- c) issue guidance and strict criteria to planning authorities in respect of applications for new crematoria.
- d) consider the environmental cost as well as the financial cost of new crematoria.
- e) appoint an inspector of Crematoria and Cemeteries, and an inspector of Funeral Directors in England and Wales.
- f) make regulations for the operation of funeral directing outlets.
- g) issue a statutory Code of Practice to Funeral Directors, to include a requirement to publish fees both online and in paper format.
- h) Issue a statutory Code of Practice based on the ICCM Charter for the Bereaved for all suppliers of burial and cremation services, linked to a food-hygiene style rating for bereaved people to understand the quality of the service provider.

i) look into how part of the profits/surpluses made by Funeral Directors and Crematoria operators could be used to help tackle funeral poverty for those who need additional help.

j) consider the introduction of a 'state-funeral' system funded through income tax, so that everyone has access to a standard funeral, with any 'add-ons' being privately funded.