

## **109 Proposals outlined in the paper and comments on the proposed price control remedy.**

See comments that follow

## **110. Any price regulation in the form of a maximum price would apply to all crematoria operators.**

Agree that any price should be applied to all operators however the difference between local authority operators and those in the private section should be noted.

### Private crematoriums

The aim of the business model is to make a profit for their shareholders and/or owners. They typically consist of a crematorium, more often than not located in a modern building. Alongside this is usually a cemetery for cremated ashes only, which are commonly kept above ground in varying types of stone structures under a short term lease arrangement, thereby requiring frequent repayment by customers to keep them in place. This means that they are easily removed if required with no statutory or church licence needed. In some cases there may be areas to scatter ashes and accommodate plaques. These cemeteries are generally private and do not allow the public at large access for activities other than to visit the remains of the deceased.

These crematoriums and cemeteries have no responsibility for other burial sites nor is it clear who would be responsible for such sites should a company no longer be able to support it. First and foremost they are only responsible to their owners or shareholders.

### Local authority crematoriums

These are not designed to make profit as they function as part of the local authority area and therefore if any surplus income is generated it would support the wider authority.

The crematorium, could be a new build or a listed building, very often with a cemetery usual for all types of burials. This could include above ground, in the ground and on the ground accommodation for the deceased ashes, usually on long term deed agreements, that will need government licence to exhume them and or a licence from the church.

These crematoriums and cemeteries are usually part of the bereavement section of the authority and have responsibility for any stand-alone authority cemeteries within the authority that either belong to the authority or are closed Church Yards that have been handed over to the authority. Such cemeteries are public land and can be used by the general public, thus providing green areas within the urban setting.

Local authority crematoriums and cemeteries are accountable through local government processes.

These descriptions demonstrate the contrast in the service provided by the two sectors, and in particular the broader role that the local authority plays in supporting the wider community, which should be accounted for in any considerations. The cost information supplied by our Council as part of the investigation only included costs directly attributable to cremation services, but arguably some relating to this wider role should also have been included. It should be noted the use of return on capital will be understated due to the complexity of a Local Authority balance sheet, which meant that we only included fixed assets directly attributable to cremation services.

## **111. Scope of products and services included in the benchmark package**

### a) Additional products and services that should be included?

It is considered the following should be included,

- cremation,
- time in the chapel, (30 mins)
- an environmentally friendly container for the ashes to be removed in,
- removal certificate, and
- any costs associated with a regulator (see also response to 113).

b) Produces or services that should be excluded?

The number of items included in any benchmarking should be kept to a minimum including only what is essential so as to keep the overall package price as low as possible and clearly understandable. For this reason it is proposed the following are excluded;

- The cost of music as there is a wide scope for variations which can impact on price i.e. use of an organist or web based services.
- Medical referee fees as there could be variation in the fees relating to the remoteness of the crematorium and car mileage charges.
- Environmental surcharges as some crematoriums have environmental charges and others don't.

c) Time-based restrictions?

This will be necessary; currently 30 minutes is considered to be an acceptable time and therefore this would be favoured for the purpose of bench marking. A shorter length of slot would also contribute to the overall price.

## **112. Views on how the price cap measures could be determined and reviewed**

d) The use of price information from the sector versus a rate of return

A cap on prices would be the preferred choice. Such a cap could be linked to the cost of living index which would require little regulation or monitoring.

e) Price variants across the country

A safeguard cap at national level for a cremation would be the preferred option as it is considered that this would be transparent and more easily understood by the public.

It is accepted that this may mean that low priced crematoriums could increase their charges but equally high priced crematoriums would have to decrease their charges.

Cremation Society data suggests that land prices in relation to established crematoriums do not impact on price given that London (city of) has one of the lowest charges for a cremation where as Friockheim (Scotland) has one of the highest charges. It may be more likely that the charge for a cremation is influenced by factors such as the number of cremations that are carried out annually or the location of the crematorium to its maintenance / servicing team. Further data gathering may indicate that it is necessary to impose regional caps on the information provided however it is difficult to conclude if this is necessary or not at this stage.

f). Suggested criteria to use to set the benchmark for the initial level of the price cap  
It is suggested that every crematorium in the UK could be asked to provide its charges for the proposed 'standard package' and from this the national price could be extracted.

g). How the Burial and Cremation (Scotland) Act 2016 should interact with any price regulation implemented by the CMA

No comments.

### **113. Implementation, monitoring and enforcement of the price control**

h). Assessment of setting a maximum price for a benchmarking package  
Benchmark charges should be kept as simple as possible with extras being clearly identified; this will make it easier for the public to understand and for such proposals to be implemented, monitored and enforced.

The Cremation Society produce figures annually that are useful in relation to charges and numbers of cremations carried out site by site but these figures are not fully reliable as the charges given are not benchmarked. This data could be used if it was equally benchmarked.

i). Should reporting requirements be the same for all crematoria?

Yes.

j). Communication Strategy

It should be shown on all funeral directors charges as a standalone price that they do not add to or change.

It is also proposed that should a regulator be set up to oversee and monitor the process, any information distributed through this body should include clear, accessible information in multiple formats i.e. electronic and paper on the pricing structure.

k). Preparation for the implementation of price control regulation

It is proposed that it should be tested in a number of regions that have variation in their geography and demographics, for 2 to 4 years so as to allow for seasonal and death variations. This would enable a full picture of the impact of these changes to be measured.

l). Costs of implementation, monitoring and enforcement

Without knowing the final detailing it is considered this is impossible to say. However if it was decided to charge the service providers to support the costs of overseeing the introduction of the standard price then this should be shown as a part of any benchmarking, in the same way as medical fees or environment charges, so that it is transparent to the public what is included in the overall charge for a cremation.

m). Initial duration of for implementation

Yes, see response to (k) above.

n). Risks or options for mitigation

No comments