

Appendix T: Supporting analysis in relation to crematoria pricing and quality outcomes

Introduction

1. This appendix outlines the following supporting evidence to the analysis of crematoria pricing and quality outcomes described in Section 7:
 - (a) Evidence and analysis in relation to our use of standard fee data;
 - (b) analysis of variation in fees for reduced fee services and unattended services;
 - (c) evidence in relation to fees and quality; and,
 - (d) analysis of variation in fees across different measures of concentration.

Evidence and analysis in relation to our use of standard fee data

2. Our analysis of standard fee services is based on data from the Cremation Society. In 2018 the Cremation Society gathered standard fee data for 295 crematoria. Dignity has stated that it “recommends the CMA does not rely on this data [the Cremation Society standard fee data] to assess whether providers offer good value for money to consumers.”
3. This section outlines Dignity’s comments in relation to the Cremation Society standard fee data, a description of how the Cremation Society standard fees compare to an alternative dataset provided by Dignity, and a description of the extent to which the Cremation Society standard fees may be misreported.

Dignity’s comments on the use of Cremation Society fee data

4. Dignity has provided the CMA with analysis from market research conducted by Trajectory on behalf of Dignity (the ‘Trajectory market research’) showing that the fees charged by crematoria are generally higher than the fees reported by the Cremation Society. Dignity has noted that the Trajectory market research “compared the basic cremation fees reported by the Directory of Crematoria [the Cremation Society standard fee data] against those collected by Trajectory in its research and...found the following instances of errors:
 - (a) Examples of cremation fees being reported with omitted essential charges (i.e. use of chapel, doctor fees and environmental surcharges);

- (b) examples of off-peak cremation fees (e.g. early morning fees) being reported as peak fees; and,
- (c) examples of resident fees being reported as standard fees.”¹

Our assessment of the appropriateness of using Cremation Society data to analyse standard fee cremation services

- 5. We have compared the cremation fees in the Trajectory market research with the Cremation Society standard fee data. We have assessed the extent to which the two data sets report different fees.
- 6. Table 1 shows the extent to which the average standard fee varies, for each crematorium operator, depending on the dataset used.

Table 1: Average standard fee, across different types of crematorium operator, under the cremation society dataset and Trajectory market research dataset, 2018

Crematorium operator	Average fee (Cremation Society), 2018, £	Average fee (Trajectory market research), 2018, £	Percentage difference in average fee, %
Dignity	936	949	1
Westerleigh	860	871	1
Memoria	838	858	2
London Cremation	746	762	2
Smaller private providers	765	785	3
Local authorities	720	772	7

Source: CMA analysis of Cremation Society data and Trajectory dataset.

- 7. This table shows that, across private crematorium operators the difference in average fee between the two datasets is 3% or less. For local authority providers, the difference is larger. On average, local authority crematoria are 7% more expensive under the Trajectory market research.
- 8. The larger differences between the two datasets for local authority crematoria can be explained, to some extent, by differences in the way the two datasets are compiled:
 - (a) First, the Trajectory market research was conducted between April and May 2018,² whilst the Cremation Society fee data relates to the standard fees charged on 1st January 2018. Around 80% of local authority crematoria review their cremation fees between the calendar months of January and April (inclusive).³ Therefore, to some extent, the differences between the two datasets will be explained by the Cremation Society data

¹ Dignity response to crematoria working papers, page 6.

² Cost, Quality, Seclusion and Time report, page 37, Audit Stage 2.

³ CMA analysis of Cremation Society data, where the number of crematoria that we have data on is 291.

being gathered earlier, which for some crematoria will be before any annual fee increase that will be captured in the Trajectory market research; and,

(b) second, the Cremation Society data relates to the standard cremation fee charged to residents of a local authority, whilst the Trajectory market research gathers non-resident fees (in the event that a local authority charges a different fee to residents and non-residents). Therefore, the difference between the two datasets will be, to some extent, explained by the fact that the two datasets collect information on different fees. Our analysis relating to standard cremation fees charged by local authorities is therefore based on resident's fees. We note that in the vast majority of cases local authorities do not charge different fees to residents and non-residents (over 90% of local authorities charge the same standard cremation fee to residents and non-residents) so any difference between the two datasets due to a difference between resident and non-resident fees is limited to a small number of cases.⁴

9. Dignity has stated that the Cremation Society data may have errors due to misreporting.⁵ Misreporting could either be due to the omission of aspects of the standard cremation fee (for example, the medical referee fee or environmental surcharge), or due to the reporting of a non-standard cremation fee (eg reporting a reduced fee) instead of a standard cremation fee.
10. In relation to the omission of aspects of the standard cremation fee, the Cremation Society has stated that it attempts to correct for misreporting if it considers that certain aspects of the fee do not appear to be included. In this event, the Cremation Society stated that they will check the fee with the crematorium to check that the relevant aspects of the standard fee are included.
11. In relation to the reporting of the wrong type of fee, the Cremation Society has stated that if it identifies large year-on-year changes in the fees being reported by crematoria it will investigate why this is the case and establish whether the

⁴ 166 out of 183 local authority crematoria (for which we have data) do not price discriminate between residents and non-residents. 17 out of 183 local authority crematoria (for which we have data) do price discriminate between residents and non-residents. On average, those local authority crematoria that do price discriminate charge non-residents 21% more than residents. Based on Cremation Society data on resident and non-resident fees in 2020.

⁵ Dignity has noted that they have "analysed the trend of basic cremation fees reported by the Cremation Society...for the period 2003 to 2019 and found that many crematoria experienced year-on-year price increases of 20% or more, which are more likely to be driven by misreporting issues."

figures reported are accurate. Furthermore, we have tested the extent to which misreporting could be an issue as follows:

- (a) Dignity’s analysis of misreporting focusses on year-on-year price increases of 20% or more. We have assessed the proportion of crematoria increasing fees by more than 20% year-on-year, between 2008 and 2018, and found that less than 5% of crematoria made a year-on-year increase greater than 20% in the period 2011-2018.⁶
- (b) We also compared the Cremation Society fees to standard fee data provided by Dignity, Westerleigh and Memoria for each year between 2008 and 2018. We found that for more recent years (since 2012) the vast majority of standard fees as reported by the Cremation Society are the same as those provided by Dignity, Westerleigh and Memoria.⁷ Where the Cremation Society standard fee is different, the Cremation Society is on average 2% more expensive between 2012 and 2018.^{8,9}

Analysis of variation in fees for reduced fee services and unattended services

- 12. We have assessed the extent to which the reduced cremation fee and unattended cremation fee data varies by operator type.

Table 2: Reduced and unattended fees by crematorium operator, £, 2019

	<i>Reduced fee, £</i>			<i>Unattended cremation fee, £</i>		
	<i>Mean</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>Min</i>	<i>Max</i>
LA	563	295	845	489	100	761
Dignity	832	750	910	498	469	499
Westerleigh	653	495	745	516	400	650
Memoria	759	650	890	458	425	500

⁶ In all but two price increases (those for 2008-2009 and 2010-2011), the proportion of crematoria raising fees by at least 20% remains below 5%.

⁷ For each year 2012 to 2018 the Cremation Society standard fee data for Dignity, Westerleigh and Memoria crematoria matched the standard fee data provided by Dignity, Westerleigh and Memoria crematoria in over 80% of cases (based on 468 observations).

⁸ Based on a total of 56 standard fees in which there was a difference in fees between 2012 and 2018.

⁹ For each of the years between 2008 and 2011 there are differences in the Cremation Society standard fee data for Dignity, Westerleigh and Memoria crematoria and the data provided by Dignity, Westerleigh and Memoria crematoria in over 70% of the observations. For the years 2008-2011 the average difference in each year ranges from 6-7%.

Source: CMA analysis of data provided by local authority crematoria and Dignity, Westerleigh and Memoria price lists.

Notes:

- (1) For reduced fee services, this is based on data from 73 local authority crematoria, 37 Dignity crematoria, 30 Westerleigh crematoria and 10 Memoria crematoria.
- (2) For unattended services, this is based on 86 local authority crematoria, 46 Dignity crematoria, 27 Westerleigh crematoria and 10 Memoria crematoria.
- (3) We have based this analysis on data for reduced fees at 37 Dignity crematoria (out of 46). The price lists provided by Dignity did not list a reduced fee for the remaining nine Dignity crematoria. Dignity has noted that, in fact, reduced fees are offered across all its crematoria and the average reduced fee across all crematoria is £798.
- (4) Westerleigh has noted that some of its unattended service charges have decreased since providing the data reported above.
- (5) Analysis of Westerleigh's unattended service fees includes the fee for a committal only service at one of its crematoria. Excluding this fee from the above table reduces the average Westerleigh unattended service fee to £474 and the maximum unattended fee to £550.

13. Table 2 shows that at private crematoria, there is little variation in the fee for an unattended cremation. Dignity crematoria charge between £469 and £499 for an unattended cremation, Memoria crematoria between £425 and £500 and Westerleigh crematoria between £400 and £650. The variation is greater at local authority crematoria which charge between £100 and £761 for an unattended cremation.
14. There is a greater degree of variation in the reduced fees charged by private crematoria compared with the variation in the unattended fees charged (although the opposite is true for local authority crematoria). Dignity crematoria charge between £750 and £910 for a reduced fee cremation, Memoria crematoria between £650 and £890 and Westerleigh crematoria between £495 and £745. Local authority crematoria charge between £295 and £845 for a reduced fee service.

Evidence on whether higher fees are associated with higher quality

15. We have assessed whether crematoria that offer similar slot lengths and facilities (for example, web streaming) charge similar fees. We have carried out this analysis across all crematoria, and also focussed on Dignity and Westerleigh crematoria.

Slot length

16. Table 3 shows the average standard fee charged by crematoria that offer similar slot lengths (ie 30 minutes, 40 or 45-minutes, and 60 minutes).

Table 3: Average standard fees by slot length by crematorium operator, £, 2018

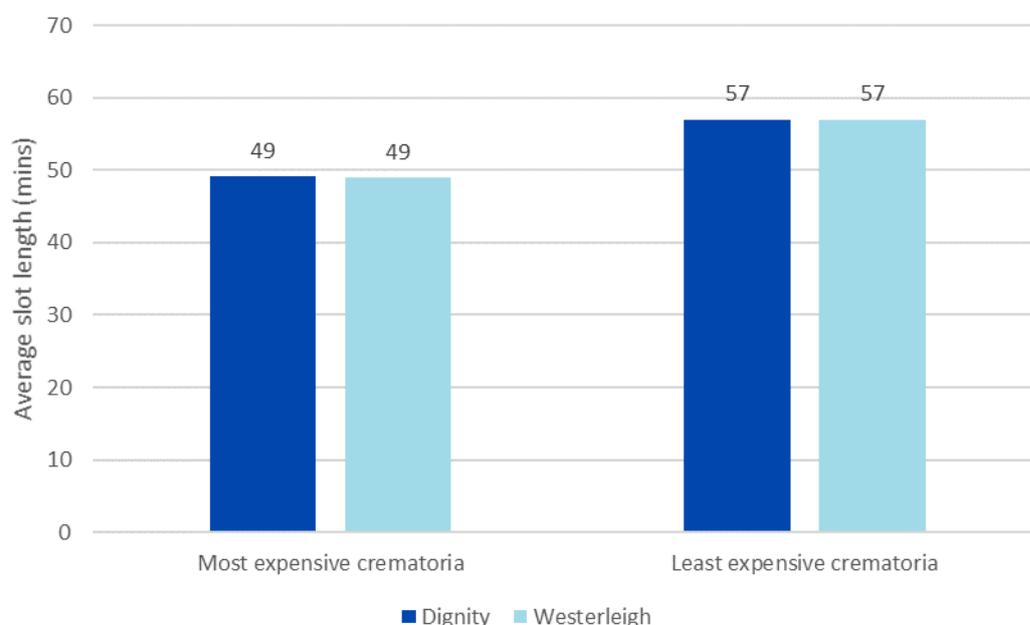
Slot length	Dignity	Westerleigh	All other private	Local authority
30-minute	-	-	760	707
40 or 45-minute	997	888	746	727
60-minute	912	838	800	703

Source: CMA analysis of Cremation Society and parties' data.

Notes: one "all other private" crematorium and 36 local authority crematoria offer 30-minute booking slots. Thirteen Dignity, 14 Westerleigh, seven "all other private" and 124 local authority crematoria offer 40- or 45-minute booking slots. Thirty-three Dignity, 17 Westerleigh, 26 "all other private" and 23 local authority crematoria offer at least 60-minute booking slots.

17. Table 3 shows that, of those offering similar slot lengths, there is a wide variation in the average standard cremation fee charged across providers, with Dignity charging on average the highest fee for each (applicable) slot length and local authorities charging the lowest average fee. In addition, the table shows that higher fees are not consistently associated with longer slot lengths within the same type of operator. On average, Dignity, Westerleigh and local authority standard cremation fees are higher at crematoria with 40 or 45-minute slots than for crematoria with 60-minute slots.
18. We have extended the analysis above by focussing on the slot lengths and fees at the two largest crematorium operators (Dignity and Westerleigh).¹⁰ We have compared the average slot lengths of the most expensive and cheapest Dignity and Westerleigh crematoria and found that, on average, more expensive crematoria have shorter slots.

Figure 1: Average slot lengths at most expensive and cheapest Dignity and Westerleigh crematoria, 2018



Source: CMA analysis of Cremation Society and parties' data.

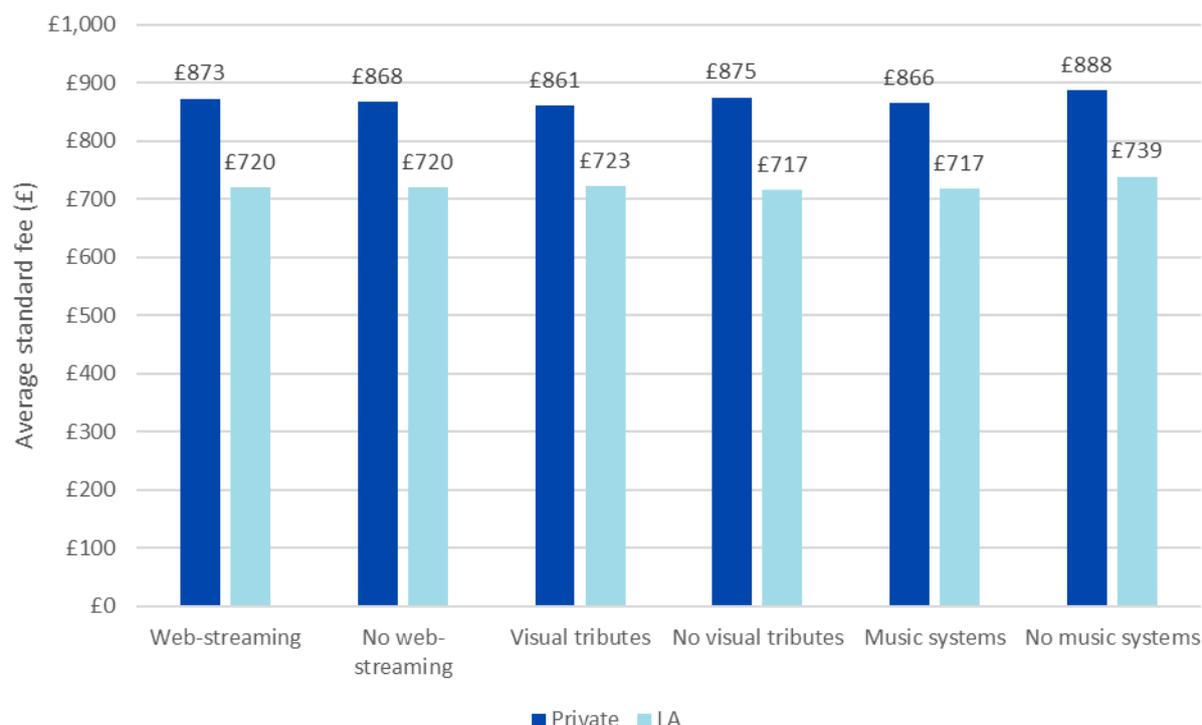
Notes: For Dignity, we based our analysis of the most expensive crematoria on 11 crematoria, and our analysis of the least expensive crematoria on 10 crematoria. For Westerleigh, we based our analysis of the most expensive crematoria on 15 crematoria, and our analysis of the least expensive crematoria on 10 crematoria. Base sizes vary due to multiple crematoria having the same fees.

¹⁰ We have not carried out similar analysis for Memoria, since all Memoria crematoria offer 60-minute booking slots.

Availability of facilities

19. We have assessed whether crematoria offering a specific facility (ie visual tributes, web streaming and music systems) charge higher fees, on average, than crematoria which do not offer that facility.

Figure 2: Average fee by availability of facilities, £, 2018

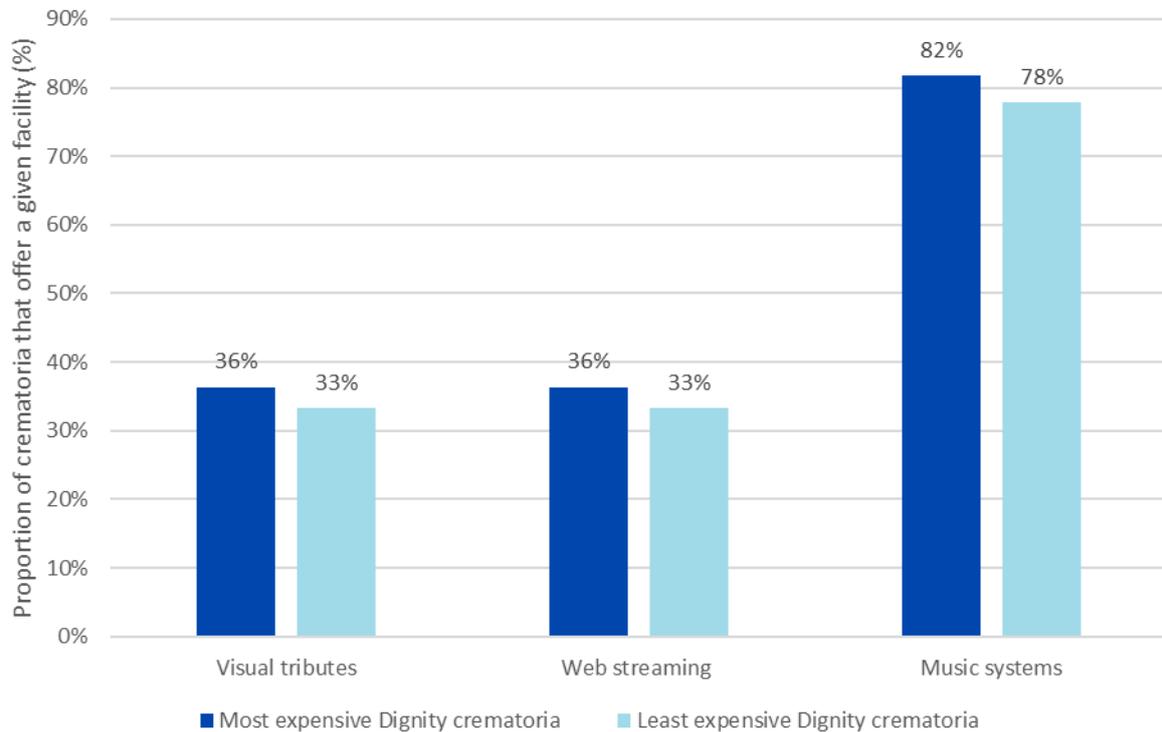


Source: CMA analysis of Cremation Society and Trajectory market research data.

Notes: Fifty-five private and 72 LA crematoria offer web streaming. Fifty-one private and 111 LA crematoria do not offer web streaming. Fifty-nine private and 92 LA crematoria offer visual tributes. Forty-eight private and 91 LA crematoria do not offer visual tributes. Ninety-four private and 161 LA crematoria offer music systems. Twelve private and 22 LA crematoria do not offer music systems.

20. Figure 2 shows that average fees do not vary depending on whether or not crematoria offer particular facilities. For example, the average local authority fee does not significantly vary between those crematoria offering visual tributes (£723) and those that do not (£717). A similar pattern holds for private crematoria (£861 and £875), and across facility type.
21. As above, we have extended the analysis to focus on the most expensive and cheapest Dignity and Westerleigh crematoria, the results of which are set out below. The least expensive Westerleigh crematoria were less likely to have visual tributes and web streaming compared with the most expensive Westerleigh crematoria. There does not appear to be any significant differences at the most expensive and least expensive Westerleigh crematoria in terms of the provision of music systems. There does not appear to be any significant difference in the provision of visual tributes, web streaming and music systems at the most expensive and least expensive Dignity crematoria.

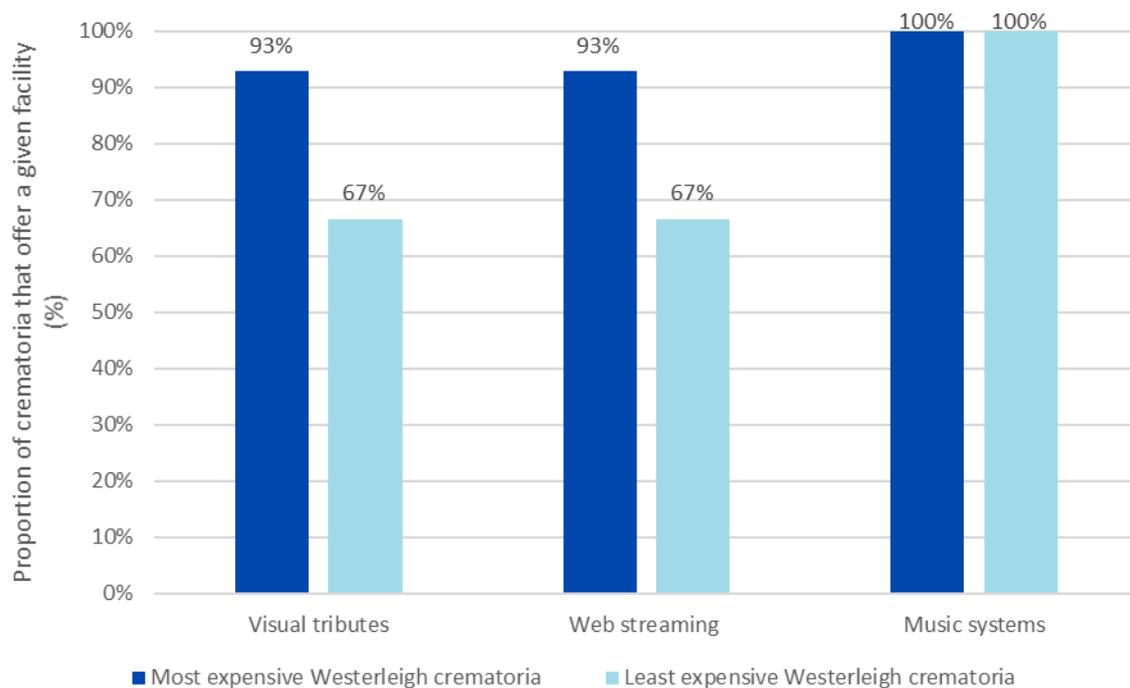
Figure 3: Availability of certain facilities at the most expensive and cheapest Dignity crematoria, 2018



Source: CMA analysis of Cremation Society and Trajectory market research data.

Notes: For the most expensive Dignity crematoria, we have data on 11 crematoria. For the least expensive Dignity crematoria, we have data on nine crematoria. Of the most expensive Dignity crematoria, four offer visual tributes, four offer web streaming and nine offer music systems. Of the least expensive Dignity crematoria, three offer visual tributes, three offer web streaming and seven offer music systems.

Figure 4: Availability of certain facilities at most expensive and cheapest Westerleigh crematoria, 2018



Source: CMA analysis of Cremation Society and Trajectory market research data.

Notes: For the most expensive Westerleigh crematoria, we have data on 14 crematoria. For the least expensive Westerleigh crematoria, we have data on nine crematoria. Of the most expensive Westerleigh crematoria, 13 offer visual tributes, 13 offer

web streaming and 14 offer music systems. Of the least expensive Westerleigh crematoria, six offer visual tributes, six offer web streaming and nine offer music systems.

‘Within Dignity’ comparison

22. We have also carried out an analysis for Dignity, given the wide variation in fees among its crematoria (Westerleigh and Memoria do not have such a degree of variation in their fees)¹¹ to understand whether more expensive Dignity crematoria offer a wider range of facilities and longer slots compared with cheaper Dignity crematoria. In 2018, based on Cremation Society standard fee data, the cheapest Dignity crematorium had a standard cremation fee of £633, whilst the most expensive Dignity crematoria charged £1,070.
23. We have assessed how many Dignity crematoria offer any combination of four quality features: 60-minute slots, visual tributes, music systems and web streaming. Table 4 shows that many of the Dignity crematoria in the highest price band only offer two or fewer of these features. A similar number of Dignity’s most expensive crematoria and of Dignity’s less expensive crematoria offer all four features. There does not appear to be any correlation between the presence of these features and prices.

Table 4: Comparison of quality metrics at Dignity crematoria, by fee level, 2018

Standard fee	Number of Dignity crematoria	Number offering two or fewer features	Number offering three features	Number offering all four features
Less than £800	7	4	2	1
Between £800 and £900	7	3	3	1
Between £900 and £1000	17	8	3	6
Over £1000	14	10	2	2

Source: CMA analysis of Cremation Society and Trajectory market research data.

Analysis of variation in fees across different measures of concentration

24. We have also carried out analysis on the extent to which standard cremation fees vary across different measures of concentration.

Fees and presence of a rival within a 30-minute cortege drive time

25. Table 5 below shows the extent to which there is variation in fees charged by both private and local authority crematoria, when looking at crematoria that either have or do not have a rival within a 30-minute cortege drive time.

¹¹ Based on Cremation Society data, in 2018 Westerleigh’s standard fee ranged from £695 to £945 and Memoria’s standard fee ranged from £790 to £950.

Table 5: Standard fees and presence of a rival within a 30-minute cortege drive time, £, 2018

	Local authority, £		Private, £	
	<i>Rival within 30-minutes</i>	<i>No rival within 30 minutes</i>	<i>Rival within 30-minutes</i>	<i>No rival within 30 minutes</i>
Mean	701	740	824	902
Min	407	364	538	625
Max	877	959	1,070	1,070

Source: CMA analysis of Cremation Society data. Number of local authorities with rival in 30 minutes (95), number of private crematoria with rival in 30 minutes (52), number of local authorities with no rival in 30 minutes (88) and number of private crematoria with no rival within 30 minutes (60).

26. Fees at local authority crematoria with a rival within 30-minutes range from £407 to £877, whilst fees at private crematoria with a rival within 30-minutes range from £538 to £1,070. Fees at local authority crematoria with no rival within 30-minutes range from £364 to £959, whilst fees at private crematoria with no rival within 30-minutes range from £625 to £1,070.

Fees and cortege drive time to the nearest rival

27. Table 6 below shows the extent to which there is variation in fees charged by both private and local authority crematoria when looking how close their nearest rival is.

Table 6: Standard fees and cortege drive time to the nearest rival, £, 2018

	Local authority, £				Private, £			
	<i>0-10</i>	<i>10 - 20</i>	<i>20 - 30</i>	<i>30 +</i>	<i>0-10</i>	<i>10 - 20</i>	<i>20 - 30</i>	<i>30 +</i>
Mean	550	691	712	740	668	837	833	902
Min	407	570	515	364	610	538	675	625
Max	633	855	877	959	760	999	1,070	1,070

Source: CMA analysis of Cremation Society data. There are a limited number of observations in the 0-10-minute time band for both local authority and private crematoria. In the 0-10-time band, there are three local authority and three private crematoria. In the 10-20-time band, there are 27 local authority and 12 private crematoria. In the 20-30-time band, there are 65 local authority and 37 private crematoria. In the 30+ time band there are 88 local authority and 60 private crematoria.

28. Fees at local authority crematoria with a rival within 10-minutes range from £407 to £633, whilst fees at private crematoria with a rival within 10-minutes range from £610 to £760. Fees at local authority crematoria with a rival within 10-20 minutes range from £570 to £855, whilst fees at private crematoria with a rival within 10-20 minutes range from £538 to £999. Fees at local authority crematoria with a rival within 20-30 minutes range from £515 to £877, whilst fees at private crematoria with a rival within 20-30 minutes range from £675 to £1,070.

Fees and number of rivals within a 30-minute cortege drive time

29. Table 7 below shows the extent to which there is variation in fees charged by both private and local authority crematoria when looking at the number of rivals a crematorium has within a 30-minute cortege drive time.

Table 7: Standard fees and number of rivals within a 30-minute cortege drive time, £, 2018

Local authority, £ Private, £

	<i>0 rivals</i>	<i>1 rival</i>	<i>2 rivals</i>	<i>At least 3 rivals</i>	<i>0 rivals</i>	<i>1 rival</i>	<i>2 rivals</i>	<i>At least 3 rivals</i>
Mean	740	716	680	688	902	841	788	784
Min	364	515	407	570	625	538	675	610
Max	959	877	855	828	1,070	1,035	965	1,070

Source: CMA analysis. Number of local authority and private crematoria that have no rival within 30 minutes is 88 and 60 respectively. Number of local authority and private crematoria that have one rival within 30 minutes is 52 and 36 respectively. Number of local authority and private crematoria that have two rivals within 30 minutes is 25 and 11 respectively. Number of local authority and private crematoria that have three or more rivals within 30 minutes is 18 and 5 respectively.

30. Fees at local authority crematoria with one rival within 30 minutes range from £515 to £877, whilst fees at private crematoria with one rival within 30 minutes range from £538 to £1,035. Fees at local authority crematoria with two rivals within 30 minutes range from £407 to £855, whilst fees at private crematoria with two rivals within 30 minutes range from £675 to £965. Fees at local authority crematoria with three or more rivals within 30 minutes range from £570 to £828, whilst fees at private crematoria with three or more rivals within 30 minutes range from £610 to £1,070.