

Budget Development Process 2012/13 -2013/14 – Savings/Income Generation Options

Savings Option	Increase income through increase in burial charges
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Directorate	Planning and Environment Services / DGFirst
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Service Area & ABB Link	Roads Maintenance, Neighbourhood & Contracted Service
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Narrative Description of Savings Option
Burial charges within Dumfries and Galloway are lower than the Scottish average. Increasing burial charges by a significant proportion could produce additional income. The charges are determined locally by the Council. Proposal would be to increase the interment charges by 25% year on year for 2012-13 through to 2014-15.

Savings/Income Generation Option Amounts	
2012/13:	£66,000
2013/14:	£103,000
2014:15:	£103,000

Details on the Calculation of Savings Option Amounts		
Previous increases in interment charges are detailed below:		
	<u>Fee</u>	<u>Increase</u>
2009/10	£392.00	-
2010/11	£402.00	2.5%
2011/12	£483.00	20.0%
These increases do not appear to have significantly affected income levels for 2011/12.		
2011-12 charge for interment is £483. The Scottish interment charge varies between £413.72 with the maximum being £855. (Figures detailed from data collated by Angus Council for financial year 2010-11.)		
Increasing the Dumfries and Galloway Charge by 25% would mean a charge of £604 which is still below the Scottish maximum charge of £855.		
A 10% reduction in uptake of burials as a consequence of the increased cost is assumed (would be diverted to cremation, private burial grounds, etc); this should result in some reduction of variable interment delivery costs.		
Current charge =	£483	
Proposed charge =	£604	
%age increase =	25%	
Current budgeted income =	£526,000	
Max income with increase =	£657,000	
Allow 10% reduction =	-£65,000	
Estimated budget income =	£592,000	
Net increased income =	£66,000	
The level of reduction in burial uptake as a result of fee increases and the use of cremation is uncertain and the savings estimate for 2013-14 and 2014-15 has been adjusted to reflect this.		

Assuming a year on year increase in fees of 25%, and a reduction in burial take-up of 15% in year 2013/14 and 20% in year 2014/15 this would result in an estimated net income increase of £37,000 in 2013/14 and a stand still position in 2014/15.

Details on Staffing Implications and how this will be managed

No immediate impact on staffing is anticipated, although any significant reduction in uptake of interments will require review of burial staff allocations across the Council's burial grounds.

Issues/Concerns Regarding Deliverability of Indicated Savings

None – Dumfries & Galloway has the lowest Council Tax of Scottish mainland authorities, and therefore income has to be generated from fees and charges if service provision is to be maintained on a comparable level.

Risk Effect Assessment

	Potential Effect
Effect on Service User	2
<p>Clearly this would represent a significant impact on the cost of burials; however, the increase would be met from the estate of the deceased and frequently from insurance policies held to cover the costs of burial. The rate applicable for an interment would be based on the ability to pay.</p> <p>It has been suggested that the increased charge should be levied on the basis of "ability to pay". If this is taken as applying to the deceased, there will be some difficulties a) in establishing the criteria against which ability to pay will be assessed, and b) in obtaining the information for individuals to assess against the criteria. Whilst the Council will have access to benefits information for the individual at the point of death, there will be no such information for people who were not householders. Quantification of the deceased's estate may take months to complete. Information on general or funeral insurances held by the deceased may not be available. It is likely that there would be significant administrative costs associated with seeking to ingather the relevant information to establish ability to pay.</p> <p>This may divert some deceased from burials to cremation or non-Council burials grounds (which may reduce future requirement for new or extended burial grounds), but the element of choice would still be present.</p>	
Effect on Staff	1
Nil – unless there is a significant reduction in interments as a result of increased charges	
Effect on Other Council Services	1
Nil	
Effect on Council's Agreed Priorities	1
Nil	
Effect on ability to attract External Funding	1
Nil	
Total Potential Effect	6
<p>The main issue associated with this proposal would be that the Council may be seen to be applying a significant increase to the cost of dying.</p> <p>The impact assessment screening process for this option involves external stakeholders and will be reported at a later date.</p>	
Measures to Reduce/Address Risks and Minimise Any Negative Impacts	
Engagement with groups representing the elderly will be valuable, as the increase in charges could be seen as increasing their natural concerns about the costs passed to their families in	

the event of their death. Presentation of figures on the full cost of funeral services including memorial services, interments, undertaking services, etc may not be entirely tasteful, but would illustrate the relatively low percentage of total cost represented by the interment.