



AFFORDABLE FUNERALS STRATEGY

Show me the manner in which a nation cares for its dead, and I will measure with mathematical exactness the tender mercies of its people, their respect for the laws of the land and their loyalty to high ideals.

*William Gladstone,
British Prime Minister,
1809–1898*



Working for Cardiff,
working together



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Cardiff Bereavement Services

Affordable Funeral Strategy

Background

The death of a close relative or friend is one of the most difficult things that any of us will ever experience and it can be even harder if money is tight. People being pushed into poverty because they have a funeral to pay for is a growing problem. Those who are already in poverty can face additional hardship because of funeral costs. If no action is taken and prices continue to rise, more and more people will struggle with debt as a result of paying for a funeral.

Funeral poverty is a term now widely used in the UK. The definition of the term is 'where the price of a funeral is beyond a person's ability to pay'. The term ability to pay covers a range of levels from having no funds or ability to pay for a funeral up to ability to pay for a funeral by taking on a debt.

The problem is growing as funerals are getting much more expensive and at the same time support to those entitled to benefits is reducing and the system of getting financial help is difficult and confusing particularly for those who are recently bereaved. Due to issues such as this and escalating costs funeral poverty has increased by 50% over the last 3 years.

The impact of funeral poverty can be financial, in the form of unmanageable debt, but it can also be emotional in the form of the distress, shame and the perceived stigma of not being able to provide a 'decent send-off' for someone we love. Research from the fair funerals campaign in 2018 suggests that 1 in 6 people will now struggle to pay for a funeral.

The Local Authority is limited in what it can do to address the problem of funeral poverty directly, for example, many of the larger costs associated with a funeral are outside of the Councils control such as funeral directors fees. However, the Authority cannot ignore the affects that funeral poverty causes as part of a wider social issue.

In a bid to address the issue of Funeral Poverty at a local level, this strategy aims to highlight the issue and provide information in order that the public can make informed choices ahead of having to arrange a funeral. In addition to this, the document sets out direct actions that will help limit the costs of a funeral for residents of the City and signpost to groups and organisations that can offer additional help.

This strategy meets a number of the themes defined in the Well Being Future Generations (Wales) Act 2015 and the underlying principles of the Councils Capital Ambition.

What does a Funeral Cost?

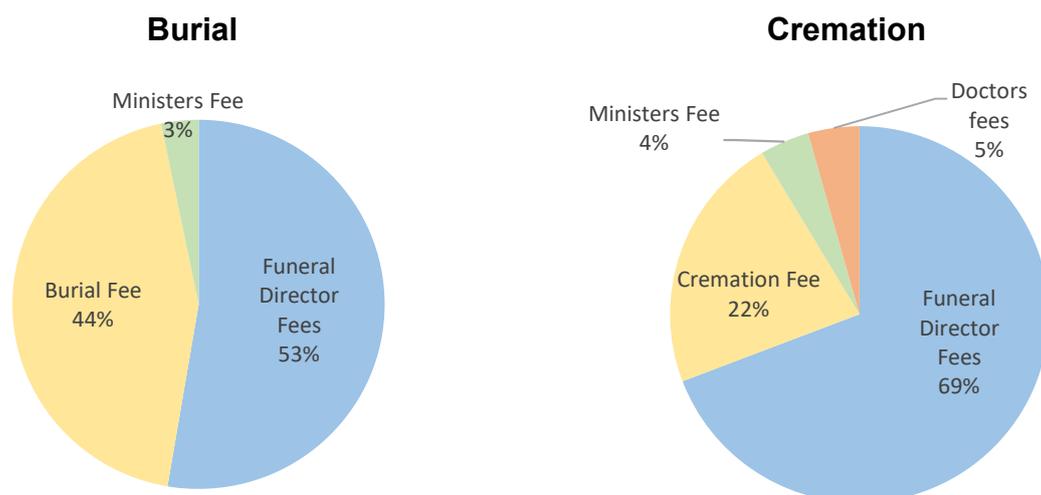
Nationally the cost of funerals has risen by more than 112% over the last 13 years.

According to the Sun Life Cost of Dying Report 2018, the average price for a cremation now stands at £4,271 in the UK with significant regional variations. Prices are increasing at four times the rate of inflation and have risen above inflation each year for the past 35 years.

The figures below represent the average costs for a basic funeral in the UK and this includes:

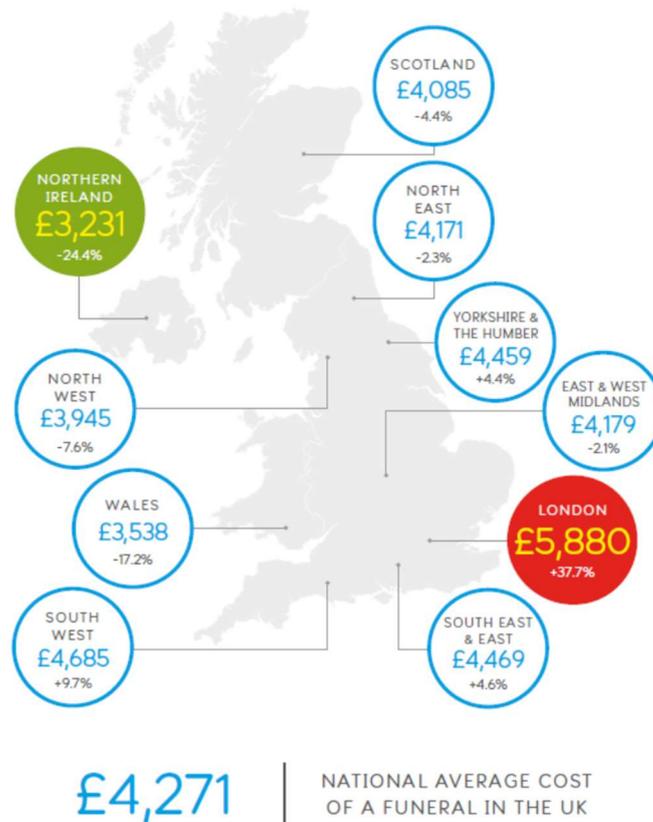
- Funeral Directors Fees
- Disbursements – Doctors Fees (cremation only) and Officiant Fees
- Cremation and Burial Fees

The Composition of these funeral expenses are made up as follows:



The breakdown of the fees above include a variety of elements that go towards the final charge. For example, the burial fee charged by the Local Authority includes costs associated with the digging of the grave space, preparation ahead of the burial, administration, invoicing and aftercare of the grave including backfilling and maintenance. The funeral directors costs will include for collection of the deceased, provision of a coffin, a hearse and limousine for the funeral as well as staff time relating to making these arrangements. The minister also has to cover costs associated with visiting the family, preparing a eulogy and attending the funeral.

In Wales the average cost of a funeral is one of the lowest at £3,538, bettered only by the average cost in Northern Ireland of £3,231.



There still remains a significant difference in the cost of burial vs cremation with Cremation still being a cheaper option. The main reason for this is that Cemeteries are expensive to maintain. The bereaved, rightly so, expect high standards in cemeteries where their relatives are buried and with investment in infrastructure of old sites and the need to develop new areas for burial, Local Authorities have little option but to increase fees and charges to meet these financial pressures. The average cost of a burial funeral in the UK is now £4,798, in Wales this remains below average at £3,934.

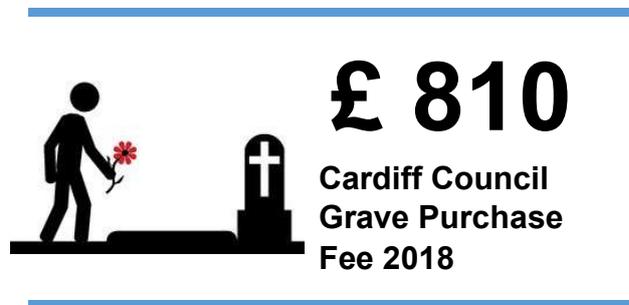


£ 640
Cardiff Council
 Cremation Fee 2018



£ 760
Cardiff Council
 Burial Fee 2018

As an example Cardiff charge £810 for the Exclusive Right of Burial in a Grave, also referred to as the Purchase Fee. This right lasts for a period of 100 years and therefore equates to a total of £8.10 per year for maintenance of the grave space and the cemetery infrastructure. That figure includes for 700 grass cuts over that period including maintenance and replacement of the machinery used, fuel and staff time.



In contrast to this fees in many other UK Cities are in excess of £1000, and Birmingham City Council for example charge over £2000.

Crematoria in contrast are cheaper to operate with much less residual maintenance required compared to that associated with cemeteries. Privately owned crematoria in the UK is growing with most opening relatively small sites focussing on undertaking around 700 funerals a year which makes them very profitable, however the locations of these sites often seek to compete directly with often dated facilities at Council run establishments. The average cost of a cremation funeral in the UK is £3,744 and in Wales is the lowest average at £3,142.

None of the above includes any of the additional costs that are often associated with dealing with the death of a relative. For example, it does not include fees associated with administering an estate; professional fees to a solicitor for this type of work average £2,872. There are of course extras that families want for the funerals such as additional limousines, flowers, orders of service, funeral notices and catering at a wake, all adding up to an average of £2,061 and can therefore easily see the whole cost of a funeral more than double the average in many cases.

These costs are placing an unbearable burden on the already stretched finances of bereaved families, many of whom are getting into serious, unmanageable debt when they lose someone they love. In 2013 the most expensive transaction on credit cards was “Funeral Services”, with an average cost of £1,114. The situation is worse still for people who can’t access more affordable forms of credit and have to turn to high-interest lenders to cover funeral costs.

What can the Council Do?

The Local Authority provides and operates all of the City's Cemeteries and Crematorium at a number of locations and the Council charges for the services that it provides and therefore does have some influence over part of the overall funeral costs; however, this is relatively minor in comparison to the fees levied by Funeral Directors for their services and other associated costs.

The charts above show that the largest percentage of costs are those of the funeral director, however burial and cremation fees charged by the Local Authority are also significant as are those relating to solicitors fees for administering an estate and holding a wake after a funeral. Probate fees are also due to increase dramatically during 2019.

The Council needs to ensure that its Bereavement Service generates enough income to cover all of its annual costs and operate at a break even position. This was highlighted in the first strategy for the service in 2005 and a break even position was achieved in 2012 and the service has continued to improve and meet its financial obligations, however the Council still faces many financial pressures and the service needs to invest in its infrastructure and maintenance. For example the Council has to invest £3m in the development of a new cemetery site in 2020 to meet the continuing demand for burials.

Burial and Cremation fees in Cardiff are reasonable when benchmarked locally and in the lower quartile when compared to the Core Cities group and it is a credit to the Council that it offers a high standard of service at fees lower than the average both locally and around the rest of the UK. Cardiff currently is ranked as a Gold Standard service as part of the national Charter for the Bereaved assessment and has an annual customer satisfaction score of 99%. In addition to this the service has received many nationally recognised awards.

Details on benchmarking fees are contained on the next page.

The Council cannot control or subsidise every element of a funeral fee and it recognises that the funeral industry is a business employing significant numbers of people which helps the local economy and those businesses need to ensure a profit to remain sustainable.

The Council is however in an advantageous position that it can successfully work with Third Sector and private organisations in order to promote and disseminate factual information to the wider public and one of the key aims of this strategy is to ensure that the public can access accurate and easy to understand information about funeral costs and funeral planning.

In addition to this the Authority can lead on getting its citizens to be more open about death and funerals and not be afraid to discuss these issues with friends and family and avoid uncertainty in the future in relation to what type of funeral a family member would have wanted.

Themes

This strategy has identified 3 Key Themes to address which are:

- Information and Preparation
- Funeral Costs
- Legislation & Third Sector Organisations

Fees and charges, although significant, are not the only issue associated with funeral costs and whilst the Council needs to be mindful of its charges there are, a number of other initiatives that it should consider as part of this strategy to ensure the public are fully informed of their options and are able to make choices that suit them.

In addition to this, there are external factors ongoing throughout the UK in relation to funeral costs, most notably the Competition and Markets Authority Review of Funeral Director and Cremation Costs as well as pending changes to legislation, which could have an implication of funeral costs in the future.

Theme 1 - Information and Preparation

This area focuses on the Authority ensuring that accurate and easy to understand information is widely available to the public to help them make informed choices about the type of funeral they would want for themselves or a relative.

For many a funeral is classed as a 'crisis purchase' and many people will turn to a specialist funeral director to make the arrangements and due to their grief may not fully understand the options available and decisions they are required to make. This is often a key factor behind funeral poverty and individuals accruing significant debt by purchasing what they think they have to rather than what they need. In addition to this are the issues of pressure from friends and family around having a 'big send-off' but with little consideration for the additional costs that this will likely incur.

Awareness raising around funerals, the costs and options is therefore essential in tackling this issue and identifying pre-need for people. This means getting people to be more open about death and the funeral process and getting families to talk to each other about what they would like their funeral to be like and just as importantly how it will be paid for.

Key Actions:

- Publish Guidance on Funeral Costs
- Provide more consistent advice on planning for a funeral
- Publish and Promote a Planning Your Own Funeral document to help people think about and record plans for their funeral
- Support greater public and personal discussion of bereavement, death, dying and care at end of life.

- Introduce regular informative events through Open Days, Hub Events and Visits to relevant organisations
- Establish regular Death Café's in Cardiff and work with volunteers to hold events to encourage people to talk about death, dying and funerals

Theme 2 – Funeral Costs

Funeral Costs are increasing and this element of the strategy will look to identify what the Council can do itself to help its residents with procuring an affordable funeral and what options the Council can look to provide to meet the differing needs of its residents.

The Authority already provides the Cardiff Council Funeral Service, a successful low cost, fixed price funeral provided in partnership with a local funeral director. At present, any resident opting for this service gets a basic cremation funeral for £1,784, which covers all costs. A burial option including the purchase of a new grave is £2,550 and an additional £300 if a service in the chapel is required.

This scheme has proved very successful and has been mirrored elsewhere around the UK, however there is still work to be done to promote it to the wider public in the City. Given that this option is around 50% cheaper than the Cardiff average for a similar type of service it is surprising the uptake isn't higher.

Consideration also needs to be given to the changing needs of the bereaved as many are now looking for a direct funeral option. According to the Royal London National Funeral Cost Index Report 2016 approximately 5% of people choose to have a direct cremation, whereby the person who has died is taken directly to the crematorium and the ashes are returned a few days later to the family, without any ceremony at the time the cremation takes place.

Funeral Directors report that the demand for this type of service is not necessarily cost driven and is consumer preference, however direct cremations generally cost less than more traditional options and of course remove additional, often 'hidden' costs such as flowers, orders of service, organist and minister fees.

The Council will look to ensure that Childrens funerals continue to remain free of charge in line with the Welsh Government policy and we will ensure parents are properly supported and informed of the options they have.

Key Actions:

- Ensure Fees and Charges are regularly benchmarked both locally and nationally and that they remain competitive against other services
- Further promote the Cardiff Council Funeral Service as a low cost high quality and affordable option for residents of the City
- Explore the option of providing a Direct Cremation Service to meet the changing demands of the bereaved

- Ensure the Councils Fees and Charges are transparent and readily available to the public via the web site and offices
- Review memorial options and look to introduce affordable choices as well as continuing to provide high end options for those who want them
- Explore the option of providing longer service times for the current cremation fee in order to offer better value for money

Theme 3 – Legislation, Third Sector and External Organisations

Changes in legislation need to be considered particularly if they will affect the cost of a funeral. An example is the ongoing review on the introduction of Medical Examiners to replace Doctors signing the cremation forms; this currently costs around £159. The introduction of a Medical Examiner service will remove the need for these forms and thereby the cost, however the cost of providing a Medical Examiner is currently unknown and it is uncertain how the service would be funded.

The Competition and Markets Authority are also currently undertaking a significant exercise in relation to looking specifically at costs charged by Funeral Directors and Crematoria around the UK and it is expected that recommendations and actions will fall out of this study, which the Authority will need to prepare for.

Obviously, the Council cannot directly control every aspect that contributes to the overall funeral cost but can look to build on existing strong local partnerships as well as find new options to identify ways to help the bereaved procure meaningful and affordable funerals.

Work needs to be undertaken with local funeral directors to ensure that price transparency is something that the public can expect with regard to the major costs associated with a funeral, the cremation or burial fee and the funeral directors fees and encourage all suppliers to be open about their charges and what they cover. The Council should lead by example on this, provide a breakdown of its own fees, and explain clearly, what they cover.

By working with local Funeral Directors, it is expected that the public will be able to easily check the cost of a simple funeral and make comparisons for themselves through us providing an agreed definition of what constitutes a simple funeral.

In 2016 over 200,000 funeral plans were sold in the UK. These can be a good way of ensuring funeral costs are met for an individual and staff are often asked why the Council do not provide a similar service. We will look to explore if any options exist to provide a funeral bond or similar service for the residents of Cardiff to help them plan for the future through existing suppliers or the introduction of a bespoke option. Given recent reports of miss selling of Funeral Plans the public will be looking for a trustworthy and reliable provider as the matter is investigated by the FCA.

The Council needs to explore what Charity and Third Sector operators in the area are doing and look to see how it can contribute to help these organisations and the ultimately the wider public.

Presenting new options to the public as to how funerals are funded can be explored with relative organisations such as credit unions or other social enterprise groups.

Public Health Funerals are those organised by the Council whereby there is no one else to make any funeral arrangements or where families simply cannot afford or refuse to organise a funeral. Under the Public Health (Control of Disease) Act 1984, the Local Authority must make arrangements for the funerals of these individuals which in many cases result in additional costs to the Council.

The number of public health funerals undertaken in Cardiff is increasing and in many instances, this is due to the rising costs of funerals and families not being entitled to any assistance from the state. The table below shows the numbers of funerals undertaken under the Public Health Act since 2014.

Financial Year	Number of Public Health Funerals
2018/19	26
2017/18	31
2016/17	28
2015/16	25
2014/15	19

Key Actions:

- Ensure that the Council is aware and prepared for any changes in Legislation that could affect funeral costs and work with other groups to mitigate any negative impact on the public
- Engage with the CMA review and submit accurate information and respond to any future recommendations as a result of the study
- Work with Local Funeral Directors on a variety of initiatives for the benefit of the residents of Cardiff
- Explore the option of the Council providing its own Funeral Plan or working with a current supplier to provide an option of an affordable pre-paid plan for its citizens
- Identify Charities and Third Sector groups in the local area to work with and share advice and support to ensure all residents have an understanding of what is available, particularly the most vulnerable and those from ethnic backgrounds
- Work with Credit Unions to explore what options could exist for residents to prepare for future funeral costs
- Look to reduce the numbers of public health funerals through ensuring affordable funeral options exist and residents are made aware of the options

Outcomes

Once the strategy is formally adopted by the Council Bereavement services will look to publish a list of outcomes by the end of 2019, which will identify our key measurable outcomes in relation to affordable funerals.

This will identify firm commitments as to what the Council will do based on the action plan and outcomes of work to be completed. This could include the following:

1. We will publish guidance on funeral costs by January 2020 in conjunction with Local Funeral Directors
2. We will publish and widely promote a Planning Your Own Funeral document to help people think about and record plans for their funeral
3. We will provide information and attend events throughout the City to help inform the public on funeral costs and the options available to them
4. We will support greater public and personal discussion of bereavement, death, dying and care at end of life
5. We will provide the option of a Direct to Crematorium funeral service at a reduced cost
6. We will ensure that Cardiff provides a zero cost service for the funeral of any child under the age of 18 and work with SANDS and UHW to ensure the best provision of service at the cemetery and crematorium is delivered to parents who have lost babies and infants.
7. We will provide appropriate and understandable information and assistance to any person who wants to arrange a funeral without a funeral director at one of our sites
8. We will ensure any resident of Cardiff can access an affordable and ethical funeral plan
9. We will work with charities and third sector groups to ensure information around funerals, the associated costs and options are available to vulnerable members of our communities
10. We will monitor and measure our outcomes and objectives to ensure the effectiveness of our actions

Action Plan

Affordable Funerals Strategy - Action Plan				
Theme	Action	Short 0 - 6 months	Medium 6 to 12 Months	Long 1 Year +
Information & Preparation	Widely publish guidance on Funeral Costs charged by Funeral Directors and Bereavement Services and include a breakdown of these fees to ensure the public are fully aware of what they receive for the fees charged.			
	Publish and Promote a Planning Your Own Funeral document to help people think about and record plans for their funeral			
	Develop pre-need talks and materials and publicise events to the the public and other relevant groups in order to provide consistent advice. advise groups that pre-need talks can be given to them			
	Establish a regular programme of Pre-Need funeral events at locations and relative events around the City.			
	Establish regular Death Café's in Cardiff and work with volunteers to hold events to encourage people to talk about death, dying and funerals			
	Ensure all information is widely available through digital channels and is easy to understand.			
	Improve marketing and Promotion of the Cardiff Council Funeral Service			
Funeral Costs	Ensure Fees and Charges are regularly benchmarked both locally and nationally and that they remain competitive against other services			
	Explore the option of providing a Direct Cremation Service to meet the changing demands of the bereaved			
	Ensure the Councils Fees and Charges are transparent and readily available to the public via the web site and offices			
	Review memorial options and look to introduce affordable choices as well as continuing to provide high end options for those who want them			
	Explore the option of providing longer service times for the current cremation fee in order to offer better value for money			
	Maintain CCFS provision & continue to meet with funeral director provider to ensure best practice			
	Continue to manage Childrens Funerals at no cost to the bereaved parents and ensure the Council provides suitable and meaningful memorial and burial areas for babies and Infants			
	Explore ways to engage with and help those not entitled to a Funeral Grant payment and with limited options to organise a meaningful funeral without incurring unmanageable debt			
	Provide easy to understand information to help those wishing to carry out a self arranged funeral at a Cardiff Council site.			
Legislation, Third Sector and External Organisations	Ensure that the Council is aware and prepared for any changes in Legislation that could affect funeral costs and work with other groups to mitigate any negative impact on the public			
	Engage with the CMA review and submit accurate information and respond to any future recommendations as a result of the study			
	Work with Local Funeral Directors on a variety of initiatives for the benefit of the residents of Cardiff			
	Explore the option of the Council providing its own Funeral Plan or working with a current supplier to provide an option of an affordable pre-paid plan for its citizens			
	Identify Charities and Third Sector groups in the local area to work with and share advice and support to ensure all residents have an understanding of what is available, particularly the most vulnerable and those from ethnic backgrounds			
	Work with Credit Unions to explore what options could exist for residents to prepare for future funeral costs			
	Look to reduce the numbers of public health funerals through ensuring affordable funeral options exist and residents are made aware of the options			
	Continue to provide an in house facility for undertaking Public Health Funerals			
	Explore options of providing assistance to those wishing to carry out self arranged funerals			
	Continue as Corporate Members of the ICCM to challenge the DWP in relation to the Funeral Grant payment amount and simplify and speed up the process of obtaining the funds			