

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

09 November 2021

**Joint Report of the Director of Street Scene, Leisure & Technical Services and the
Director of Finance and Transformation**

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 REVIEW OF CEMETERY CHARGES

Summary

This report provides information to Members to consider a strategic approach to the review and implementation of charges applied at Tonbridge Cemetery.

1.1 Background

1.1.1 At the meeting of the Communities & Housing Advisory Board on 10th November 2020 Members considered a report on the annual review of charges at Tonbridge Cemetery. The report included proposals based on a comparison with other Council's in Kent.

1.1.2 At the meeting Members expressed concern about the low level of income generated in comparison to expenditure and felt that this meant that Tonbridge Cemetery was effectively being subsidised and suggested that a strategic and comprehensive review of the charges should be undertaken. It was hoped that, as the facility became more self-sustained, the burden on the general taxpayer could be reduced in the longer term.

1.1.3 Cabinet subsequently agreed that the Overview & Scrutiny Committee should undertake a broad, strategic review of the charges. At the recent meeting of Cabinet on 12 October 2021 it was agreed that the review should be considered by this Board. In line with Members' request, this report brings forward a number of options for Members to consider and determine the future charging structure.

1.1.4 When considering all of the Council's charges consideration is given to a set of guiding principles approved by Members of the Finance, Innovation and Property Advisory Board and reproduced below for the benefit of this Board:

- Fees and charges should reflect the Council's key priorities and other corporate aims and priorities recognising there may be trade-offs as these are not mutually exclusive;

- Fees and charges should have due regard to the Council's Medium Term Financial Strategy;
- If there is to be a subsidy from the Council tax payer to the service user this should be a conscious choice;
- The Council should look to maximise income subject to market conditions, opportunities and comparable charges elsewhere, in the context of its key priorities and other corporate aims and priorities;
- Fees and charges should normally be reviewed at least annually (unless fixed by statute or some other body);
- Fees and charges should not be used to provide a subsidy from the Council tax payer to commercial operators;
- There should be consistency between charges for similar services;
- Concessions for services should follow a logical pattern so as not to preclude, where appropriate, access to Council services on the grounds of ability to pay.

1.1.5 In addition, historically when bringing forward charges for Tonbridge Cemetery a number of specific key principles have been taken into consideration:

- The Council's overall financial position.
- The need to move towards a position of covering more of the costs associated with the management of the Cemetery.
- The need to compare costs with other local authority cemeteries in Kent.
- The need for the charging strategy to support the management of the remaining capacity in the Cemetery.

1.2 Tonbridge Cemetery

1.2.1 Tonbridge Cemetery is located close to the town centre. It was opened in 1858 and covers 14 hectares with approximately 14,000 grave spaces. There is a small chapel within the grounds, a memorial garden features vaults for the interment of ashes, a memorial wall and a rose garden for the scattering of ashes.

1.2.2 The cemetery is managed directly by the Council with the ground maintenance undertaken on the Council's behalf by Landscape Services as part of the Council's larger Grounds Maintenance Contract.

1.2.3 It is important to note that the Cemetery not only serves as a burial ground but is also used locally as a public open space, particularly for walkers, runners and dog walkers; many also use the site as a cut through to the Town Centre. Therefore, it

is worth noting that the budget covers the management and maintenance of the full site, over and above the general burial areas. Maintenance of each specific burial plot is the responsibility of the individual grave owner.

- 1.2.4 The charges for burials at Tonbridge Cemetery are only one element of the overall cost of a funeral.

1.3 Budget Cost

- 1.3.1 Attached at **Annex 1** is a copy of the cemetery revenue budget for 2021/22, approved by Members in February 2021. As highlighted above this covers the full management and maintenance of the Cemetery site. The draft Estimates for 2022/23 are currently being prepared and will be presented to the Finance, Innovation & Property Advisory Board on 12 January 2022.
- 1.3.2 Members will note that, in respect of the 2021/22 Estimates, current fees and charges generate an estimated income of £68,900, compared to a total expenditure cost of £129,850 (Depreciation and Impairment costs of £24,150 are not taken into account due to the fact that these are removed from the cost to taxpayers under a statutory override). This results in an annual net cost of the cemetery to the Council of £60,950. The majority of income is received through the sale of graves and internments. At the present time income is covering approximately 53% of total site management and maintenance costs.

1.4 Existing Charges

- 1.4.1 Attached at **Annex 2** is a list of existing charges for the cemetery compared where possible with charges applied by other Kent councils. Members will note that the charges do vary significantly across each local authority, but in general the charges for Tonbridge Cemetery are around the average.
- 1.4.2 Historically the charges have generally been increased in line with inflation each year, to cover the increase in direct expenditure costs, and in particular increases in costs of the ground maintenance contract.
- 1.4.3 Member will note that there are no fees for burials of under 18's. This policy decision was recommended to and approved by Cabinet through a Supplementary Report considered on the 14 February 2019. Cabinet resolved that: *"the existing charges for child burials at Tonbridge Cemetery be amended, with future burials for all under 18 year olds being free of charge with immediate effect"*. Members may wish to note that on average only one to two burials for under 18s have been undertaken in recent years, and the Council is able to seek reimbursement of an element of the costs for these burials.

1.5 Options

- 1.5.1 In regard to any future charging strategy the following options could be considered by Members in order to reduce the burden of the cemetery on the general taxpayer and help contribute to the Council's saving target;

Option 1 – A fundamental review of charges be undertaken focussing on comparisons with other similar Local Authority providers. The review could look to bring this Council's charges in line with others at the higher level. This would see a variety of price increases across the board. For example, our current charge for a Combined Purchase and Interment (Adult) is £1,715.00 and the highest comparable rate is £2,400, just under a 40% one-off increase.

Option 2 - A one-off increase in excess of the current rate of inflation or adopting a policy of increasing charges by a set percentage over and above the level of inflation year on year until the subsidy has been eliminated. In respect to applying a one-off increase in excess of the current rate of inflation, a 30% increase, for example, would see a £20,700 reduction in the subsidy. If for example charges were increased by circa 30% each year over a three year period that subsidy could be eliminated.

Option 3 – Apply a one-off increase to eliminate the entire subsidy and allow fees and charges to cover the full management and maintenance costs of the Cemetery site. This would need an 89% increase to be applied across all charges based on the 2021/22 Original Estimates

- 1.5.2 All of the above calculations are based on there being no impact on the level of use of the cemetery due to increased charges. Charges for the cemetery are exempt of VAT.
- 1.5.3 In addition to the above the Council has recently seen increases in materials costs specifically in relation to the supply of Memorial Plaques etc where increases of up to 23% have been seen. It is proposed that Members give consideration to the approach to pass these specific costs directly on to the purchasers to ensure the subsidy currently provided does not increase.

1.6 Legal Implications

- 1.6.1 The Council's financial rules require that all fees and charges must be reviewed at least once a year and be reported to the appropriate Advisory Board.

1.7 Financial and Value for Money Considerations

- 1.7.1 The options presented in the report generate different levels of additional income to the Council as outlined in the report.
- 1.7.2 As Members will be aware from reports to Cabinet in July and October 2021, the Council is facing significant financial challenges. Significant savings and/or

increases in income are required by April 2026 in order to preserve the integrity of our financial plans.

- 1.7.3 Whilst an element of subsidy from general council taxes for this service has been the Council's choice thus far, Members may wish to consider the extent of that subsidy (see paragraph 1.3.2) when balancing the overall finances of the Council.

1.8 Risk Assessment

- 1.8.1 There is a balance between looking to reduce the overall cost of the cemetery to the Council taxpayer and increasing charges to the point where people will decide not to be buried at the cemetery or seek an alternative location elsewhere. People may also decide to use a local crematorium. This could impact particularly on those members of the public facing financial hardship. Each option provides a different approach to addressing this issue.
- 1.8.2 No public consultation has been undertaken to date on the cemetery charges and this may be something Members wish to consider as part of this review, particularly if a more radical increase in fees and charges to address the full cost recovery issue is proposed.

1.9 Equality Impact Assessment

- 1.9.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.10 Policy Considerations

- 1.10.1 Asset Management, Business Continuity/Resilience

1.11 Recommendations

- 1.11.1 Members are requested to consider the options for the future charging strategy at Tonbridge Cemetery including the policy approach in response to increases in material costs as highlighted at 1.5.3 and make recommendations to Cabinet.

Background papers:

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Nil

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