Managing Cemeteries and Crematoria in a Competitive Environment

Summary

Cemeteries and crematoria are essential local authority services affecting millions of people each year. The aim of the service is to provide a sympathetic environment for the dignified disposal of the dead. Around 70 per cent of disposals in this country are by cremation; this proportion is relatively high compared to other countries (Exhibit 1).

In financial terms, crematoria make a small overall surplus while the net cost of local authority cemeteries was around £40 million in 1986-87, including the maintenance cost of mature cemeteries and closed churchyards. Cremations also save around 200 acres of land each year.

Exhibit 1

Cremations As a Percentage of Deaths by Country - 1987

Cremations account for a relatively high proportion of disposals in this country.

Source: Cremation Society of Great Britain
The choice between burial and cremation lies not with the authority but with the individual (who may have left explicit instructions) or with bereaved relatives, and the opportunities for local authorities to influence the choice are limited. In most parts of the country, both options are conveniently available. But there is scope for targeted provision or expansion of facilities in areas where there is now limited access to cremation.

The effectiveness of this service should be gauged by the level of public satisfaction; this Occasional Paper suggests ways in which this can be done. The Code of Cremation Practice has a significant influence on standards and the extension of this approach to encompass cemetery operation could be of value.

In a service which is, inevitably, of particular sensitivity, the member role is crucial. Members should ensure that they are aware of popular views on their services and that they are involved in the key decisions on service effectiveness.

**INTRODUCTION**

1 There are just under 600,000 deaths in England and Wales each year (Exhibit 2) and the service local authorities provide to cope with them affects millions of other people indirectly. Section 214 of the Local Government Act 1972 empowers burial authorities to provide and maintain cemeteries and crematoria.

The categories of council designated as burial authorities are:

- London boroughs;
- metropolitan districts;
- shire districts;
- parish and community councils and parish meetings.

2 Local authority provision of cemeteries and crematoria is supplemented by burials in churchyards and a small number of private sector cemeteries, along with private sector cremations. There are 29 private sector crematoria accounting for around 14 per cent of cremations.

3 Until the late nineteenth century, cremation was thought to be a criminal offence and burial was the only available method for dignified disposal of the dead. In 1884 it was decided in the case of *R v Price* that cremation was a lawful method of disposal. The first cremation was carried out in 1885 at Woking but the development of cremation proceeded slowly until the mid-twentieth century. Since 1950, however, the number of crematoria has increased from 58 to 223 and the number of cremations has increased in greater proportion (Exhibit 3). Cremation now accounts for around 70 per cent of disposals.

4 In 1986-87 local authority crematoria generated a small overall surplus, with income representing 101 per cent of the £28 million gross expenditure and around 60 per cent of crematoria operating at a surplus. In contrast there was net expenditure of £40 million on cemeteries where income represented only 28 per cent of gross expenditure (Exhibit 4). Gross expenditure per burial for 1986-87 was £501 ( £360 net) compared to £77 gross expenditure per cremation ( £0.77 net income ).

5 In addition, though this is a relatively minor element of expenditure, authorities are also themselves responsible for a number of funerals, where individuals die without means or close
relatives. A few councils, in response, have considered the introduction of their own funeral service. In the Commission's view, their power to do so is extremely doubtful. A preferable route, now operated by a number of authorities, is to seek tenders for the provision of funerals for which the council is responsible. Considerable savings may thereby be achieved.

6 Cemeteries now occupy around 16,000 acres of land. The 12 million cremations since 1885 have averted the need for another 6,000 acres of burial ground. But relative costs and land requirements are not the major considerations influencing decisions in this most sensitive of local authority services. Ultimately, decisions on the mode of disposal rest with the individual or with bereaved relatives and not with the authority. These decisions are most strongly influenced by personal and religious considerations and local authorities' abilities to influence the choice of method may therefore be relatively limited. This is discussed in Section 4 on effectiveness. But there is little doubt that local authorities can influence the levels of expenditure and income and also the quality of service provided.

7 A number of authorities have asked their auditors to carry out local studies of the way they manage their facilities. In addition, the Commission's work on grounds maintenance has some implications for the future care and maintenance of cemeteries and crematoria. The Commission has not carried out a national study of the operation of cemeteries and crematoria, and does not at present plan to do so, but it believes that it would be helpful to authorities to bring together the results of the local projects already completed and other research in this Occasional Paper. This will not necessarily lead to audit work in individual authorities, but auditors will be able to use the material in the paper locally, if requested to do so.

8 Sections 1 and 2 of this paper discuss the factors influencing the main elements of expenditure on both cemeteries and crematoria, including the impact of the competition legislation. Section 3 considers the ways in which income is generated. Section 4 examines the effectiveness of the service and its sensitivity to public demands.
CEMETERY COSTS

Employees are by far the most significant element of cemetery costs (Exhibit 5). The major factors determining the level of these costs are:

- maintenance standards;
- maintenance methods;
- grave-digging methods;
- overtime and bonus schemes.

MAINTENANCE STANDARDS

Auditors have identified wide variations in the extent to which detailed specifications for maintenance standards are in operation. For example, one authority had no formal assessment of required maintenance standards while another had not reviewed its standards for over 20 years.

The Commission's study on grounds maintenance, which includes cemeteries and crematoria, examines good client practice in the context of compulsory competitive tendering required by the Local Government Act 1988. Local authorities subject to competitive tendering will need to distinguish clearly between the different roles of client and contractor and, if at all possible, identify different staff for each. The client's role is to draw up contract specifications and to commission, inspect and pay the contractor. As part of the contract specification, the client-side manager will need to determine appropriate standards of maintenance.

The requirement to contract out provides an opportunity for councils to review levels of service and standards. The relationships between standards and costs are complicated and depend on local circumstances. Each authority must make a positive determination of the standards it requires and it can, in future, require contractors (whether internal or external) to work to them. The standards should be determined locally and the weather and other natural factors can influence the specification. The Commission has found wide variations, for example, between the frequency of grass cutting in general amenity areas and the blade length specified. Similar considerations apply to cemeteries and crematoria.

13 One aspect of service provision which could be reviewed is the extent of elaborate floral displays in cemeteries and crematoria. These can enhance the appearance of the facility considerably but they bring a substantial maintenance commitment. Some authorities have adopted a more simplified approach, using shrubs and trees instead of floral displays. Changes to the appearance of cemeteries should, however, be considered in the context of an understanding of the views of those whose relatives are interred there (see paragraphs 40-45 below).

MAINTENANCE METHODS

A second major factor influencing cemetery costs is the incidence of kerbed graves, which are considerably more expensive to maintain than lawned areas. The Local Authorities' Cemeteries Order 1977 empowers a burial authority to enclose, lay out and embellish a cemetery in such a manner as they think fit. Some authorities will now permit only lawned graves in new areas of the cemetery. The 1977 Order also empowers a burial authority to remove kerbs and memorials from existing graves but the power is subject to detailed procedural requirements (Exhibit 6) and some authorities cite these as a significant inhibiting factor.

15 The problems faced by authorities relate to the administrative effort required to comply with the procedures for each individual grave, the length of time allowed at each stage of the proceedings and the scope for objection.
Before exercising the power, the burial authority must:

- display a notice of their intentions in conspicuous positions at the cemetery and publish the notice during two successive weeks in the local press;
- serve a copy of the notice on defined persons if certain activities (such as a burial in the grave) have occurred in the last 30 years;
- wait for at least three months after the notice;
- consider all objections to the proposals (which can be made by any person);
- secure withdrawal of the objection if it is made by a relative of any person buried in the grave or obtain the Secretary of State’s approval to continue;
- if such approval is given, notify the objector and allow a further two months before proceeding;
- make and keep records of memorials removed showing whether they have been destroyed or re-erected elsewhere and photographic or other records of all legible inscriptions on any memorials destroyed.

But some authorities have made extensive use of this power and have not found the procedures unduly inhibiting. As in many other areas where public consultation is required, the key is careful preparation and planning. The benefits of a removal and lawning programme can be substantial both in terms of significantly simplified maintenance requirements and improvements to the appearance of the cemeteries involved.

There may be scope to simplify and streamline the procedural requirements while maintaining adequate protection for persons affected by proposals. Nevertheless, authorities can make the best use of this power by:

- using temporary staff, if necessary, to assist in the administration relating to records;
- phasing work to coincide with slack maintenance periods, thereby avoiding significant increases in current costs;
- avoiding or minimising any adverse reaction to lawning programmes by communicating the benefits of improved cemetery standards as well as maintenance efficiency, through newsletters, posters or the local press.

GRAVE-DIGGING METHODS

There may also be scope in some areas for improving performance by introducing or increasing the use of mechanical diggers for new graves. Over half of all new graves are now dug mechanically but there is very wide variation between authorities. Maximising the use of mechanical diggers, where soil and other cemetery conditions permit, could reduce the time required for grave-digging by around a third with consequent effects on costs. In one local comparison between three district councils, the auditor identified differences in the extent of mechanical digging as being a major reason for one council’s higher costs.

Although grave-digging is not subject to the compulsory competition requirements a number of authorities have taken the view that it is sufficiently connected with cemeteries’ maintenance to be included as part of that contract. The choice of grave-digging methods would then be a matter for the contractor, subject to the contract specification.

OVERTIME AND BONUS SCHEMES

A number of local audit projects have also identified scope to reduce the incidence of overtime working, including Saturday cover and watching/policing duties. For example:

- at one authority, average overtime levels at one cemetery were four times those at another. Staff were
claiming watching time on Saturday afternoons while others were working general overtime or claiming ‘attendance time’ at the same cemetery;

• at another authority, manual staff worked overtime every Saturday. The number of Saturday burials for each cemetery averaged only three each year and the overtime related largely to digging graves for burials on the following Monday.

Overtime has significant cost implications and all overtime should be authorised and monitored against need.

20 In addition, some bonus schemes require review. For example, the time allowed for application of herbicide to control growth around kerbs and headstones at one district council was double that allowed at a neighbouring authority, with similar large differences for grave-digging and grass cutting. Revision should also take account of improved methods such as use of lawn-mowing and changes in equipment. In the context of compulsory competition, these considerations would be a matter for the contractor, subject to the client’s determination of the extent of service provision such as requirements for Saturday cover and watching duties.

OTHER COSTS

21 Premises are the other significant element of direct cemetery costs. In addition to the impact of the above factors on repair and maintenance costs, some authorities have been able to reduce premises’ costs and generate capital receipts by selling redundant cemetery lodges.

22 Central establishment charges should also be reviewed, in this area as elsewhere. Up to now there has been little need to examine the appropriateness of these costs; the introduction of compulsory competitive tendering will be an incentive for managers to do so.

23 Employees are again the most significant expenditure element (Exhibit 7). Employee costs per cremation varied from £8 to over £80 for 1986-87. Maintenance standards considerations are similar to those for cemeteries and there are also similar opportunities to reduce overtime.

24 Other factors influencing employee costs are the use of automated and computerised cremators and safety considerations depending on the design of the cremator. Given the wide variation in costs, authorities should review employee costs where they are above the upper quartile level, i.e. more than £22 per cremation for 1986-87.

25 Flexibility in the use of staff between cemeteries and crematoria and between cremator operation and maintenance duties could be complicated by the separation of grounds maintenance as a contractor function under the compulsory competitive tendering legislation. Authorities will need to consider how crematoria are best to be provided in a competitive environment.

26 Fuel for cremators accounts for around 3.5 per cent of expenditure on average. Cremator fuel costs can be reduced significantly by computerised regulation of the cremation process. Fuel costs per cremation varied from under £1 to over £10 for 1986-87. An approach to general energy management was set out by the Commission in its 1985 report *Saving energy in local government buildings*. In the context of crematoria, tariff reviews and involvement of the authority’s energy officer would make sense for any crematorium with fuel costs above the upper quartile level, i.e. £1.67 for 1986-87.
3. Income

27 Burial authorities are free to set their own fees and charges for burial and cremation; there are wide variations between authorities. The principal charges at cemeteries are interment or burial fees (accounting for around 50 per cent of income) and charges for purchase of exclusive rights of burial (accounting for around 30 per cent). In crematoria, cremation fees are by far the most significant income item.

28 The central government grant-related expenditure assessment includes £79.32 (in 1988-89) for each death registered in an authority’s area. There can, however, be large differences between the numbers of deaths in a given area and the number of disposals. Authorities in which more deaths than disposals occur may benefit from this arrangement. Authorities in which the reverse applies are likely to incur losses, particularly if a proportion of the imported disposals are burials, where charges do not cover costs. In recognition, some authorities have sought contributions from neighbouring councils, though none have so far been successful. This has led some to consider differential charging for non-residents.

Burial Fees and Purchase of Exclusive Rights of Burial

29 There is wide variation between authorities with interment fees ranging from under £30 to well over £100 in some cases. Where auditors have compared charges with burial costs, significant differences in the extent of cost recovery have been identified. For example:

- at one district council, income from burial fees represented 146 per cent of estimated burial cost, providing a significant contribution towards the cost of maintaining the cemeteries;

- at a neighbouring authority, income from burial fees was only 51 per cent of cost (though if income from exclusive burial rights was included, the costs were fully recovered). The extent to which income covered burial costs depended on the proportion of new burials and reopened graves.

30 Across England and Wales as a whole, cemeteries’ income represents around 28 per cent of expenditure but there is wide variation in the extent of cost recovery with a few cemeteries operating at a surplus (Exhibit 8). At some authorities there is no apparent rationale for cemetery fees, which were often inherited from predecessor authorities on local government reorganisation in 1974. Although these charges may have gone up in line with inflation, the underlying levels have not been related to costs or to any rationale based on cost recovery.

31 A rationale for cost recovery needs to address the following questions:

- Should burial fees directly cover the costs of burial and allow a contribution towards maintenance costs or should there be an element of subsidy?

- Should the same burial fee be charged for all the authority’s cemeteries or should different fees reflect clear differences in cost within the authority?

- Should the same fee be charged regardless of the position of the grave or should there be differential charging based on location or other factors?
• Should the same burial fee be charged to non-residents?

• To what extent should purchase of exclusive burial right fees contribute towards current and/or future maintenance costs?

• Should any element of contribution towards future costs be separated from current income and set aside for future use?

• How far should the council take account of the scarcity of appropriate land (where this is a problem) in setting fees?

32 Responsibility for the maintenance of purchased grave spaces rests with the purchaser but authorities may choose to carry out some maintenance on the whole cemetery area, subject to specific maintenance agreements relating to individual graves.

33 The issue of cost recovery is complicated by the problem of maintenance costs continuing beyond a cemetery’s operational life into maturity, when no new grave spaces remain. Although the only income for these cemeteries is from burial fees for reopened graves, the maintenance costs continue indefinitely. One district council raised exclusive burial rights charges specifically to provide towards future maintenance costs, although the sums received continued to be taken as income in the year of receipt.

34 A practice found in private sector crematoria is to defer a proportion of the income from sale of memorials to reflect the future maintenance commitment. The deferred income is credited to the revenue account over defined periods depending on the duration of the memorial lease. A similar approach could be considered by burial authorities in order to provide income towards future years’ maintenance costs by setting aside and investing burial right fees.

35 Beyond this, cemeteries are to some extent a communal facility providing wide amenity benefits and an authority may reasonably accept some cost subsidy in the same way as for general parks areas. Cemeteries have been sold to the private sector to remove the maintenance liability but cemeteries are also financial and community assets and this must be taken fully into account in such transactions. As the auditor pointed out in his recent report on the sale of cemeteries at Westminster City Council, there was a public expectation that the cemeteries would remain a permanent feature of the council activities and would be maintained to a standard in keeping with their purpose. If cemeteries are sold along with a commitment on the part of the new purchaser to maintain them, it is vital to ensure that the commitment is enforceable on any subsequent owners. It is also worth noting that, in the view of the Institute of Burial and Cremation Administration, few private sector companies are prepared to take on the long-term commitments implied.

36 Some authorities have attempted to influence choice towards cremation by holding down cremation fees relative to cemetery fees. Auditors have commented on the need to monitor the effects of such a policy closely as price may not be a major factor in determining the choice of disposal method. Other authorities have raised cremation charges by more than the rate of inflation.

37 In many areas there is an element of competition between local authorities and with private sector crematoria. The effects can be seen in the narrow range of cremation fees. Nevertheless, there are significant variations in some areas. In London they vary between £50 and £90 for the 24 crematoria, with similar ranges for West Midlands and West Yorkshire. Authorities should consider reviewing charges if they are out of line with their local range.

MEMORIALS

38 Authorities take widely differing views about the desirability of providing memorials for bereaved relatives. This is a particularly sensitive matter as there is genuine concern to avoid any suggestion of exploiting relatives at a most vulnerable time. For this reason, many authorities confine their memorial provision to a book of remembrance and floral tributes but other authorities take the view that provision of appropriate memorials meets a genuine need and that the authority can make such provision at a reasonable cost.

39 Such memorials include wall plaques of various descriptions, personalised miniature memorials and roses, shrubs and trees. However, while the authority will wish to charge only a reasonable price for such memorials, it must take the continuing maintenance commitment into account when deciding on whether to provide a particular type of memorial and at what price.
4. EFFECTIVENESS

40 The principal objective of the service is the dignified disposal of the dead. The Commission recognised in its publication *Performance review in local government - environmental services* that the quality of service given is the key consideration. Service effectiveness, however, includes both the way the actual disposal is conducted at the time and the way memorials are maintained subsequently.

41 The Commission’s study on grounds maintenance, *Competitive management of parks and green spaces*, identified a number of initiatives by authorities to assess public demand and satisfaction relating to parks. These include conducting attitude surveys, use of opinion polls and setting explicit objectives, strategy and performance indicators including a targeted complaints monitoring system. Similar approaches could be adopted for cemeteries and crematoria to define, measure and assess performance.

42 A major element in the operation of crematoria is the influence of the Federation of British Cremation Authorities (FBCA) which includes both public and private sector members. The FBCA has produced a Code of Cremation Practice* which lays down the standards for member authorities to attain. The FBCA carries out visits to crematoria each year to monitor the application of the code and to advise on aspects of crematorium operation. The code is updated to reflect current developments.

43 There is no organisation for cemeteries corresponding to the FBCA.

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Exhibit 9
CREMATIONS AS A PERCENTAGE OF DEATHS BY COUNTY-1987
There is wide variation in the proportion of cremations between counties

Professional officers are members of the Institute of Burial and Cremation Administration (which recently celebrated its seventy-fifth anniversary) and many authorities operate both cemeteries and crematoria. The success of the cremation federation suggests that the extension of this approach to encompass cemetery operation could make a significant contribution to developing and maintaining standards of operation for cemeteries with perhaps a code of practice covering both services. Some have argued that the FBCA itself should be extended to include cemeteries; others maintain that a separate, focused, organisation is needed.

44 Cremation has been promoted by the FBCA and by a separate charitable body, the Cremation Society of Great Britain which aims to ‘save the land for the living’. Both bodies produce valuable statistics and leaflets informing people of relevant facts concerning cremation. Some authorities use these leaflets, and produce their own, to promote awareness of cremation and of their own facilities. A simple booklet combining the basic facts about cremation with some commentary and photographs relating to the individual facility (and perhaps to any memorial provision) can be valuable to relatives with a difficult decision to make at a trying time. In addition, members and officers with responsibility for crematoria should regularly consider what they can do to improve their own facilities to provide the most sensitive and dignified experience for bereaved relatives.

45 The growth in the overall proportion of cremations has levelled off in recent years at around 70 per cent of deaths. But there is wide variation in the proportion of cremations between counties in England and Wales (Exhibit 9). A new crematorium is to be built in Suffolk - the county with the lowest proportion of cremations - but there are many other areas with low proportions. Future increases in the proportion of cremations might come partly from targeted provision or ex-
pansion of facilities in areas where limited access to crematoria effectively constrains individual choice. One restraining factor has, in this and in other areas, been the capital controls system. A new crematorium now typically costs over £1 million and is often not seen as a high priority in a constrained programme.

46 Before authorities consider new or expanded facilities, they should produce a summary of existing and projected future demand for the services. This should be based on mortality trends within the catchment area, the balance between burial and cremation and the estimated proportion of both which may come to the council’s facilities. Some research on projections of demand for cremation has been carried out by the FBCA; this could be a starting point for authorities.

47 A plan is then required for each authority along the lines suggested in the Commission’s handbook on performance review. This should address:

- trends in social attitudes to cremation and burial, and to the appropriate surroundings and memorials in each case (perhaps reflecting local user surveys);
- the authority’s response to changing demands in qualitative and quantitative terms;
- the scope for cost reduction and income generation from within and outside the authority’s area;
- appraisal of investment/disposal opportunities.

48 Though easy to define, local authorities’ duties in respect of cemeteries and crematoria are difficult to execute to the satisfaction of all interested parties. The Audit Commission does not wish to add to the pressures on officers involved. Nor does it wish to imply that the service is in general badly managed; it is not. But there are problems, and opportunities for improvement. Many arise because the officers in charge of particular establishments are not sufficiently closely linked to senior officers or to the appropriate members’ committee.

49 The provision of these essential services does not always attract a great deal of member interest or involvement and can, in consequence, lack top-level support or the will to operate more efficiently and effectively. In this service, as in many others, attitude and morale are critical to staff performance. A positive attitude, and high morale among staff, will be encouraged if they believe that members are interested and concerned about the quality of the service for which they are responsible.