

Island Communities Impact Assessment results

Guidance on Funeral Costs

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Island Communities Impact Assessment Results

Title of Policy	Guidance on Funeral Costs
Summary of aims and desired outcomes of policy	<p>The overall aim of the guidance is to support transparency in the funeral market to help consumers understand, compare and choose the services that are right for them.</p> <p>The guidance sets out steps that burial authorities, cremation authorities and funeral directors can take to improve transparency and availability of funeral pricing information. While recognising that local authorities are responsible for setting their burial and cremation charges and will take into account local circumstances, the guidance also includes a section specifically for local authorities on charge setting and tackling funeral poverty.</p>
Directorate, Division, Team	Social Security Directorate, Social Security Policy Division, Funeral Poverty Policy Team

Executive Summary

1. This is a summary of the full Island Communities Impact Assessment (ICIA) conducted on the Guidance on Funeral Costs in accordance with the Islands (Scotland) Act 2018¹.
2. Our findings are based on a review of published literature, analysis of consultation responses and stakeholder engagement. The ICIA process has provided us the opportunity to examine whether any Scottish island communities would be discriminated against by any measures proposed in the guidance on funeral costs. In the same spirit, we have also looked into the impacts the guidance on funeral costs may have on rural or remote communities.
3. As its primary audience is local authorities and the funeral industry, the guidance is expected to have an indirect impact on people in Scotland, including those living in island and rural or remote areas, by improving the availability and transparency of information on funeral costs. This should enable people to better understand, compare and choose the services that are right for them.
4. Through our process of engagement, we identified a small number of potential issues indirectly affecting people in islands and remote or rural areas. Where appropriate, we have adjusted the guidance to take these into account. The changes relate primarily to our definition of a simple funeral, which some consultation respondents argued should be changed to better accommodate the needs of people living in remote areas. Other issues identified in the consultation process included potential difficulties for people trying to access online information in areas of poor digital connectivity (which may be more likely in island and remote or rural areas), and concerns that the draft guidance did not recognise the particular circumstances of community cemeteries in the Western Isles.
5. Our engagement also identified support for a number of measures in the guidance that are likely to benefit island communities and communities living in remote rural areas.

¹ <http://www.legislation.gov.uk/asp/2018/12/enacted>

6. Overall, we think that the guidance is likely to have a positive impact on rural, remote or island communities by improving accessibility, availability and transparency of information on funeral costs.
7. We have committed to reviewing the guidance in the future, to ensure that it remains fit for purpose. We will work with local authorities, funeral directors and burial and cremation authorities to collect and analyse data on the implementation of the guidance, so that its impact can be understood. That will enable us to update the guidance, if necessary, to address any issues identified.

Background

8. Section 98 of the Burial and Cremation (Scotland) Act 2016² makes provision for Scottish Ministers to publish “guidance on the costs associated with making arrangements for a funeral” and that “the guidance may in particular cover the desirability of such costs being affordable”.
9. Publication of the guidance on funeral costs is Action 2 of the Scottish Government’s Funeral Costs Plan (FCP)³, which sets out 10 actions that the Scottish Government will take this parliamentary term to help tackle funeral poverty.
10. This is a summary of the full Island Communities Impact Assessment (ICIA) conducted on the Guidance on Funeral Costs in accordance with Sections 7, 8 and 13 of the Islands (Scotland) Act 2018. This ICIA has considered the potential effects of the guidance on an island community⁴ which may be significantly different from its effect on other communities (including other island communities) in Scotland. In the same spirit, it also looked into the impacts the guidance may have on rural/remote⁵ communities in Scotland. Further impact assessments, including an Equality Impact Assessment and a Business and Regulatory Impact Assessment, have been undertaken alongside this ICIA.

Policy aims

11. The guidance focuses on improving the availability and transparency of information about the costs associated with arranging a funeral.
12. While the setting of individual funeral charges is for local authorities and private businesses to determine, the Scottish Government wants to help consumers understand, compare and choose the services that are right for them. In light of this, the guidance sets out steps that funeral directors and burial or cremation authorities can take to help improve the availability and transparency of funeral charges information, to help consumers make informed decisions. The guidance also includes a section specifically for local authorities on charge setting and tackling funeral poverty.

² <http://www.legislation.gov.uk/asp/2016/20/contents/enacted>

³ <https://www.gov.scot/publications/funeral-costs-plan/>

⁴ Section 2 of the Act defines an ‘island community’ as one which “(a) consists of two or more individuals, all of whom permanently inhabit an island (whether or not the same island), and (b) is based on common interest, identity or geography (including in relation to any uninhabited island whose natural environment and terrestrial, marine and associated ecosystems contribute to the natural or cultural heritage or economy of an inhabited island).”

⁵ We have adopted the 6 fold [urban rural classification](#) as devised by the Scottish Government to define rurality and remoteness and gather further evidence on the topic.

13. The guidance complements other action the Scottish Government has already taken to help encourage people to talk about and plan their own funeral.

Guidance outline

14. The guidance has four sections: for burial authorities, for cremation authorities, for funeral directors, and a section for local authorities in relation to charge setting and tackling funeral poverty.

15. The guidance includes a range of measures to:

- Encourage burial and cremation authorities and funeral directors to use clear and consistent language and terminology;
- Encourage burial and cremation authorities and funeral directors to make pricing information available in a number of formats;
- Encourage crematoriums to display their prices in a way that helps people to understand which services are included in their attended cremation charge (and so are not optional) and which services can be added at an extra cost;
- Encourage improved transparency of pricing by funeral directors at the point of sale, such as clearly setting out the range and price of available funeral services (including lower-cost options), providing an itemised quote and a final bill;
- Improve the ability of consumers to compare lower-cost options across different funeral directors by setting out a clear definition of a simple funeral;
- Encourage burial and cremation authorities to accommodate the wishes of people who do not want to use the full services of a funeral director;
- Encourage local authorities to take steps to improve public understanding of burial and cremation charges such as consulting on charge setting and providing information about expenditure and income for these services. It also suggests local authorities consider sharing and learning from best practice, where appropriate.
- Encourage local authorities to take steps to reduce funeral poverty, such as recognising funeral costs as a potential cause of poverty when developing local authority poverty reduction strategies, and supporting people who are struggling with the costs of a funeral.

16. The guidance on funeral costs is advisory and will not impose new requirements or conditions on funeral directors, burial authorities or cremation authorities. However, we have worked closely with the funeral industry and local authorities in developing the guidance in order to increase the likelihood that it will be widely adopted.

Who was involved in shaping the guidance and the ICIA?

17. To produce the guidance, the Scottish Government established three working groups in early 2018 to explore issues associated with funeral costs and to provide expert knowledge to the guidance drafting process. Group membership included local authorities from a number of areas (including the Shetland Islands), the Convention of Scottish Local Authorities (COSLA), private crematoriums, the Institute of Cemetery and Crematorium Management (ICCM), the Federation of Burial and Cremation Authorities (FBCA), the National Association of Funeral Directors (NAFD) and the National Society of Allied and Independent Funeral Directors (SAIF).
18. We also visited individual funeral directors, burial authorities and cremation authorities to better understand cost drivers, business processes and the practical considerations of their work. In producing the guidance, the Scottish Government has also engaged with the Scottish Government's Funeral Poverty Reference Group, the Scottish Working Group on Funeral Poverty, and other third sector stakeholders.
19. Draft guidance was prepared in the first half of 2018. A 12-week public consultation on the draft guidance ran from 16 August to 8 November 2018.⁶ A total of 49 responses were received⁷ from a broad range of stakeholders, including two local authorities which include island communities in their jurisdictions. There were also 15 responses from members of the public. An independent consultation analysis report⁸ was published in February 2019.
20. Scottish Government officials from various directorates have also been consulted while developing the guidance, primarily Public Health Division, Community Analysis Division, Consumer and Competition Policy Unit, and Local Government and Analytical Services Division. We also involved the Inspector of Funeral Directors and Inspector of Cremation.
21. We contacted all six Scottish local authorities that include island communities, following up with telephone discussions with the Shetland Islands Council, Comhairle nan Eilean Siar, North Ayrshire Council and Orkney Islands Council. We also met stakeholders in the Western Isles, including the local authority, advice services, community cemetery representatives and a funeral director.
22. Through this consultation and engagement, we were able to identify and explore specific issues and circumstances that might result in the guidance having a different impact on islands and remote communities compared to mainland or more urban areas. This process enabled us to adjust the draft guidance, where appropriate, to address issues raised.

Evidence on funeral costs

23. According to the Royal London National Funeral Cost Index Report 2018, the average cost of a funeral in Scotland in 2018 was £3,499. The Sunlife Cost of Dying Report 2018 indicated a figure of £4,085 as the average cost of a funeral in Scotland. These figures include funeral director's fees and the cost of burial or cremation. They do not take into account additional services such as catering or flowers.

⁶ [Consultation on draft guidance on funeral costs](#)

⁷ [Published responses to the consultation on draft guidance on funeral costs](#)

⁸ [Draft guidance on funeral costs consultation: analysis of responses](#)

24. More funerals in Scotland involve a cremation (68%) than a burial⁹. Average costs for burial and cremation in Scotland¹⁰ in 2018 were as follows:

- Local authority burial was £1,535, which includes both burial fees and the cost of purchase of exclusive right of burial; and
- Cremation was £708, which includes crematoriums that are run by local authorities, private crematoriums, and one that is run by a charity.

25. The Competition and Markets Authority (CMA) has found that people could save over £1,000 on the cost of a funeral by looking at a range of choices in their local area. Despite this, its research found that only 14% of respondents compared the services of two or more funeral directors when deciding which one to use.¹¹ The CMA found that people typically choose to use a local funeral director and do not shop around for better prices and services. Instead, they tend to rely either on recommendation by a personal contact or on their own experience. Nevertheless, the CMA's research suggests that when people do want to compare prices across different funeral directors, this can be difficult as prices are often not available online. However, the CMA report also indicates that customers want funeral directors to meet a range of needs, including the physical care of the body, advice and practical assistance with making arrangements and help to achieve a 'meaningful farewell', and so costs may not be at the forefront of their decision making.

26. While there are differences in the figures for the cost of an average funeral in Scotland, both Sunlife and Royal London 2018 studies show funeral costs have increased significantly. According to the Sunlife Cost of Dying report (2018)¹², funeral costs for burials in Scotland rose by 119.2% between 2004 and 2018.

27. The impacts of these costs on people arranging a funeral can be significant. According to the Royal London Index of funeral costs (2018)¹³, 12% of people surveyed across the UK said they struggled with funeral costs. This can have longer term impact on people's finances and on their experience of grief.

Islands and funeral costs evidence

28. There is limited evidence available on funeral costs specifically for Scottish islands and in remote or rural areas.

29. A key difference between islands and other parts of Scotland is that there are no crematoriums on any of Scotland's islands. This may limit people's choice of funeral type to burial only, unless they are able to travel to have a cremation, which would incur additional costs.

30. Burials are generally more expensive than cremations, though island authorities have some of the lowest burial charges in Scotland⁸. With the exception of the burial fee in Highland, all of the island local authority burial fees in 2018 were below the national average. Across all 32 Scottish local authorities, burial was least expensive in the Western Isles.

⁹ [Cremation Society of Great Britain](#)

¹⁰ [Unmarked: Funeral Poverty and National Assistance Funerals in Scotland 2017/18](#) by Stirling District Citizens Advice Bureau; 2018

¹¹ [Funerals market study – Final report and decision on a market investigation reference](#)

¹² <https://www.sunlife.co.uk/siteassets/documents/cost-of-dying/cost-of-dying-report-2018.pdf>

¹³ <https://www.royallondon.com/siteassets/site-docs/media-centre/national-funeral-costs-index-2018.pdf>

Table A: Burial fees in 2018 among Scottish local authorities with inhabited islands

Local Authority	Lair fee* 2018	Burial fee 2018	Total
Highland	£565	£904	£1,469
North Ayrshire	£744	£698	£1,442
Argyll and Bute	£771	£653	£1,424
Orkney Islands	£605	£553	£1,158
Shetland Islands	£550	£512.50	£1,062.50
Comhairle nan Eilean Siar/ Western Isles	£407	£319	£726
Scottish Average	£788.26	£746.76	£1,535.03

* The term 'lair fee' is commonly used to describe the fee for the purchase of Exclusive Right of Burial in a lair. Subsequent burials into the same lair do not attract this fee.

31. Not all burial provision in island areas is provided by the local authority. During our engagement we heard that in the Western Isles community cemeteries are run by volunteers and operate differently from the council-run cemeteries in the Western Isles and elsewhere. The community cemeteries do not sell Exclusive Right of Burial. Instead, most run on an annual fee basis, whereby a family pays a relatively small sum per year and this reserves burial space for that family. Normally, the family doesn't pay any burial fee at time of need; this is covered by the annual fee. Maintenance of the cemetery is also covered by this annual fee. During our engagement we heard that that burial in community cemeteries in the Western Isles is less expensive than burial in the local authority cemeteries but that these charges are not published online or elsewhere, as people living in these communities generally understand how the charging process operates.
32. Another difference between island and remote or rural areas and other areas of Scotland in relation to funeral costs is transport. The specific needs of island communities in transporting a person who has died to mainland Scotland or other islands are delivered in partnership with ferry services. We understand that coffins are transported free of charge on all routes by Serco NorthLink (East Coast) and CalMac Ferries Ltd. (West Coast). However, vehicles transporting coffins are usually charged at normal car fare rates. In the Western Isles we found that funeral society subscriptions for community cemeteries will usually cover the cost of the transportation of a deceased person back to the islands from the mainland.
33. Another difference highlighted during our engagement is that there are fewer funeral directors operating in the Scottish islands. For example, we understand that only one funeral director operates in Lewis and Harris, and one funeral director in Shetland. We understand that many of the smaller islands in the Western Isles are served by individuals or companies who conduct arrangements for funerals on these islands but are not full-time funeral directors. We understand that Arran is served by one resident funeral director, although mainland funeral directors will also serve the island. There is therefore a potential lack of competition between funeral directors, and more limited choice for individuals in island communities compared with other parts of Scotland.
34. Some consultation responses from local authorities set out steps that these authorities take to assist people with funeral costs. For example, Shetland Islands Council indicated that it makes bereaved families aware of the Scottish Government booklet on death and bereavement, which contains a financial help section including information on Funeral Expense Payment (FEP) benefit for low-income families available from the Department of Work and Pensions (DWP). It

also currently offers payment of burial charges by instalments to make this more manageable for bereaved people.

Key findings

35. By encouraging funeral directors, burial authorities and cremation authorities to improve transparency of pricing, the guidance on funeral costs will indirectly increase people's ability to understand and compare prices, including people in islands, remote or rural areas. This improved access to information on funeral costs, and greater ability to compare prices, should also help people, including those on lower incomes, to make an informed choice of funeral appropriate to their needs and requirements. It may also mean that the public as a whole becomes better aware of funeral options, increasing people's ability to plan ahead and save for their funeral where necessary.
36. Through the public consultation and discussion with stakeholders, very few concerns were raised about the potential for the measures set out in the draft guidance to have an effect on an island or remote rural community which would be significantly different from its effect on other communities. However, some points were raised, both through the consultation and in discussions with individuals and organisations, about potential impacts; these are discussed below. The consultation process also helped to identify features of the guidance that we believe have the potential to have a positive impact on islands or remote communities.

Definition of a simple funeral

37. Many funeral directors offer a simple funeral at present as a lower-cost option. A simple funeral usually includes the opportunity to have a service at the point of cremation or burial. However, there is variation between different funeral directors as to what is included. In our consultation on the guidance, we proposed a standard definition for a simple funeral to help people make comparisons between funeral directors. This was developed with input from funeral directors, including the NAFD and SAIF.
38. Some amendments to the definition of the simple funeral have been made in light of consultation feedback about the impact of the original definition on island and rural areas. We have added material to the guidance to recommend that if a funeral director needs to make additional charges for transport in relation to collection of the deceased person, they should ensure that those charges are clearly set out in the written estimate and final account. This will help to improve transparency in relation to transport charges, which may be more likely to apply in remote, rural or island areas.
39. We have also amended the definition of the simple funeral to increase the distance of transport included from 10 to 15 miles. This increase in provision is likely to be most beneficial for people living in remote, rural and island areas. However, we recognise that transport over 15 miles will still be required in some cases and for this reason guidance also sets out that funeral directors should be able to take account of local circumstances.

Digital connectivity and online display of prices

40. The guidance for funeral directors, burial authorities and cremation authorities encourages the display of pricing online. Consultation responses from a number of local authorities representing rural, remote or island communities emphasised the importance of choice and accessibility. It was also suggested that the ability to access such information anonymously online could help mitigate the potential stigma associated with being seen to be shopping around for a funeral due to cost. While nearly all consultation responses (and meetings with individuals and organisations) were supportive of this, there were concerns raised about

people living in areas with poor digital connectivity not having the same access to this information.

41. While we acknowledge this concern, the guidance, in addition to making pricing information available online, also encourages funeral directors, burial authorities and cremation authorities to make their pricing information available both in paper format and on display at their premises, to ensure that people have a choice and can access this information in a variety of ways. In addition, and building on the success of the Digital Scotland roll-out, Scottish Government's Reaching 100% programme (R100) will deliver a future-proofed, national fibre network that will make rural Scotland one of the best connected places anywhere in Europe. We are investing £600 million to extend superfast broadband access to every home and business in Scotland. R100 will exclude urban premises, reflecting our view that public investment should be focussed on rural Scotland and every part of Scotland is within reach of accessible fibre.

Community cemeteries

42. Our engagement highlighted that community cemeteries in the Western Isles operate in a different way to the local authority cemeteries which would make comparison with standard pricing difficult. Some representatives of the community cemeteries expressed concern that an expectation that they would provide price lists online, would place an additional burden on the volunteers who run the cemeteries. None of the community cemeteries has price lists or websites currently. Fees are collected annually within the community, and none of the community cemetery representatives we spoke to saw a need to publish this information online, as the immediate community served by the cemetery generally understands the arrangements.
43. The Scottish Government has sought to make the provisions in the guidance proportionate. For example, provision of information online need not mean the creation of a bespoke website, it could include provision of this information through social media. While parts of the guidance on funeral costs may be of less relevance to community cemeteries, the Scottish Government would still encourage these to consider incorporating the guidance into their practices where possible.

Conclusion

44. This assessment has considered the potential effects of the guidance on funeral costs on people from island communities which may be significantly different from their effect on other communities (including other island communities) in Scotland. In the same spirit, it also looked into the impacts the guidance may have on rural/remote communities of Scotland. Our findings are based on a review of published literature, analysis of related consultation responses, stakeholder engagement and feedback.
45. As its primary audience is local authorities and the funeral industry, the guidance is expected to have an indirect impact on people in Scotland, including those living in island and rural or remote areas, by improving the availability and transparency of information on funeral costs. This should enable people to better understand, compare and choose the services that are right for them.
46. Overall, we have concluded that people in the Scottish rural / remote or island communities are unlikely to be discriminated against by measures proposed in this guidance and that the guidance will be likely to impact positively on them.

47. In response to our engagement on the ICIA we have:

- adjusted our definition of a simple funeral, which some suggested should be changed to better accommodate the needs of people living in remote areas;
- taken account of potential difficulties for people trying to access online information in areas of poor digital connectivity, and
- recognised the particular circumstances of community cemeteries in the Western Isles.

48. Our engagement also identified support for a number of measures in the guidance that are likely to indirectly benefit island communities and communities living in remote rural areas. These include improving the accessibility, availability and transparency of information on funeral costs, which we expect to enable people in these communities to better understand, compare and choose the services that are right for them.

49. We have committed to reviewing the guidance in the future, to ensure that it remains fit for purpose. We will work with local authorities, funeral directors and burial and cremation authorities to collect information about the implementation of the guidance, so that its impact can be considered and that the guidance can be updated, if necessary, to address any issues identified.

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