



# Funeral Poverty

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# Firstly, what is the problem?

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- There is significant interest in Funeral Poverty, which has attracted wide ranging media and political comment
  - Funeral Poverty is defined as being where “the price of a funeral is beyond a person’s ability to pay”
  - Lobbyists have
    - Challenged successive governments north/south of the border to improve the system
    - Criticised Local Authorities for rises in cremation and burial costs
    - Criticised Funeral Directors for not offering lower cost/alternative funeral solutions
  - Thankfully – things seem to be moving
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# Funeral Poverty is (sadly) not new

- 1800's Victorian paupers graves
- 1860's Burial clubs/Penny Policies
- 1949 Death Grant £20 rising to £30 in 1967
- 1984 Public Health (control of disease act)
- 2003 Cap on funeral payment
- 2010 Annual Funeral Cost Reports
- 2011 Parliamentary interest
- 2013 Funeral Poverty Alliance
- 2016 Select Committee Enquiry
- 2016 Burial and Cremation Act (Scotland)

## 1900s Victorian funeral bill

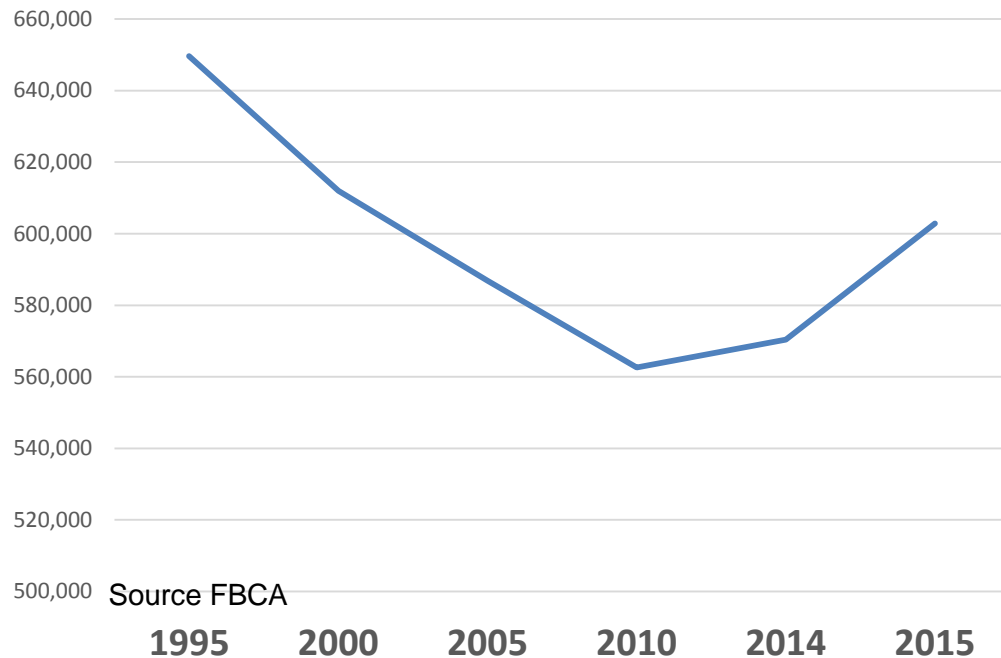
	£	s	d
Funeral	1	12	0
Death certificate		1	3
Gravediggers		2	0
Hearse attendants		2	0
Woman to lay her out		2	0
Insurance agent		1	0
Flowers			6
Black tie for father		1	0
	2	1	9



What's driving up costs?

# Annual deaths influencing costs

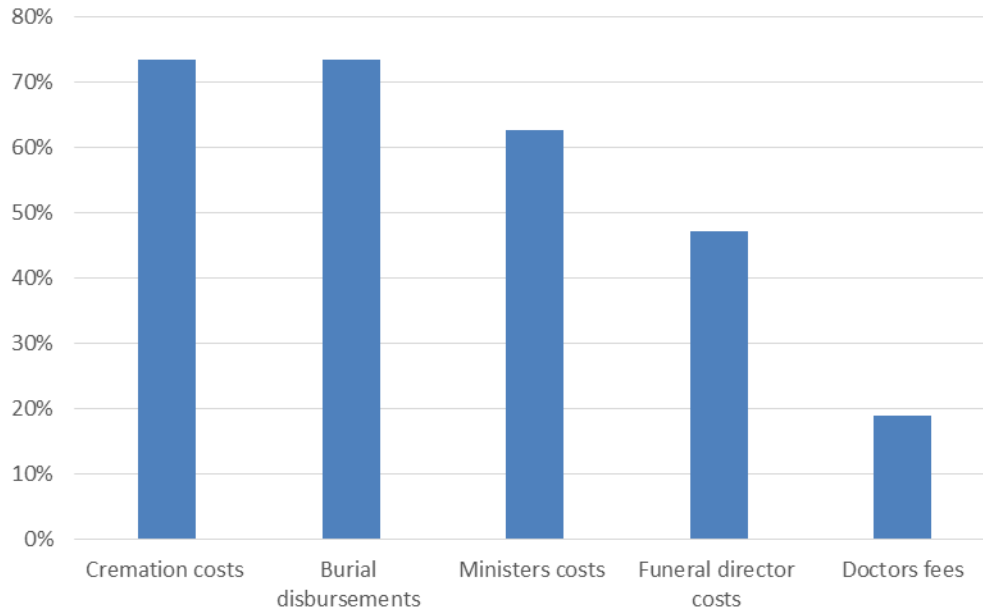
Fall and rise in annual UK deaths 1995-2015



- Funeral costs stalled in 2015
- The number of deaths fell by c13% between 1995-2010
- A rise between 2013-2014, has helped suppress funeral cost rises
- Number of Funeral Directors has risen from less than 4,000 to nearly 6,000 in the same period

# 10 years rise in funeral costs %

Percentage change in costs 2007-2016



Source Sun Life/Royal London

The single biggest element remains the funeral directors costs at £2200

Greatest percentage rises seen in 3<sup>rd</sup> party costs rising on average at 7% a year

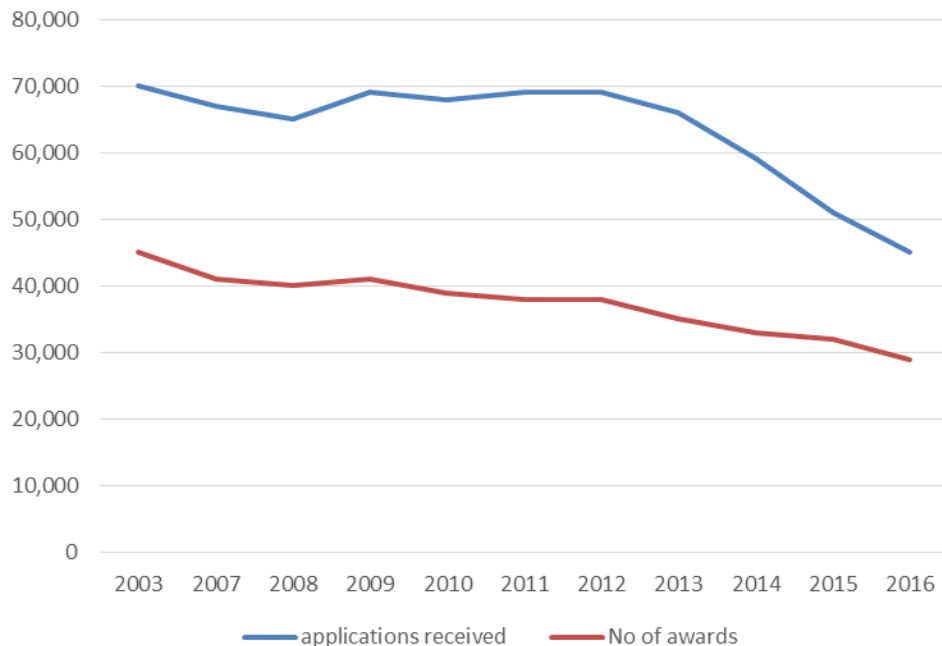
Doctors fees rising the least at just under 2% a year



State benefit up to  
scratch?

# Issues with SFFEP well documented

Decline in applications and awards 2003 - 2016



- Application and eligibility complex
- Flawed process
- Eroding value
- Slow response
- Applications/awards continue to decline

Source Department of Work and Pensions



# SFFEP issues well documented

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- Funeral spend fell from £3,702 - £3,675
  - Funeral Poverty rose to £147m because of a rise in the number of deaths
  - Between 2014 and 2016 – using same number of deaths, funeral poverty would have shown no increase
  - Average award of £1,410, an inflation busting 2.5%!
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Rising costs and weak  
benefit impacting LAs

# Present: Local Authorities taking up the slack

## 2011 Report suggested that

- 2900 PHFs in England and Wales
- £2.1m spent
- Families bypassing SFFEP going straight to local authorities

## 2014 data for BBC in 2015

- Number of PHFs had risen by over 10%
- The cost to Local Authorities had risen by a third
- Excluded data from authorities with significant numbers

Without change, LAs will increasingly pick up the slack





Things are changing

# Central and local government pro-active

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- Burial and Cremation Act (Scotland)
  - Select Committee Enquiry
  - Holyrood and Westminster actively engaged with stakeholders and opinion formers
  - Cardiff City Council, Sandwell
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# Funeral directors also becoming creative

## Poppy's

- Highest profile female funeral director challenging traditions, simple funerals, colourful vans.

## Direct Cremation operators

- Low cost model of unattended funerals,
- Highly localised,
- Small operators filling need for direct cremations.



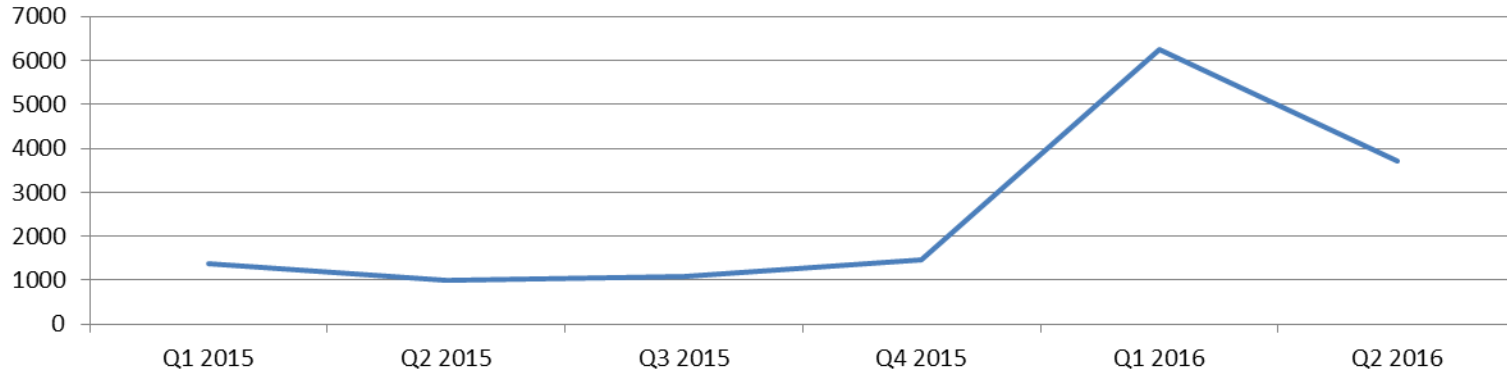


What is Dignity  
doing to contribute?

# Consumer behaviour is changing

- Annual UK direct cremation volumes estimated to be between 3%-5% of UK deaths
- Unattended service volumes through our own crematoria support these figures
- Online search volumes related to direct cremation or no service funerals are increasing, supporting claims that the market is growing

## "No service funeral" & "direct cremations"



Source: Google analytics



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direct cremation service  
from £1,495.

# Simplicity Cremations




A low cost alternative funeral for those who don't want, or cannot afford, a traditional funeral.

- Online or telephone access to the service 24/7, 365
- Collection from anywhere, not restricted to hospitals
- Use our own mortuary facilities, not rely on local hospital mortuaries
- Same high standard of care of the deceased
- Nationwide face to face support to complete all paperwork required to legally proceed.
- The return of the ashes or scattering in the crematoria memorial gardens.
- 24hr bereavement advice and counselling service
- Only exclusions / additional costs (Doctors Fees and 'out of hours' collection)
- This low cost service is limited (no viewing, embalming, funeral service)

# Providing access to all Funeral Directors

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- Direct Cremation slots at Dignity Crematoria will be made available to all Funeral Directors (Co-Op and Independents)
  - The cost to Funeral Directors for these slots will be £499.
  - The service will be provided on first come, first served basis.
  - In total this will provide capacity for over 20,000 cremation slots.
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Thank you.  
Any questions?