

## ITEM No ...6.....

**REPORT TO:** POLICY AND RESOURCES COMMITTEE- 24 SEPTEMBER 2018  
**REPORT ON:** ACTION ON FUNERAL POVERTY IN DUNDEE UPDATE  
**REPORT BY:** CHIEF EXECUTIVE  
**REPORT NO:** 283-2018

### **1.0 PURPOSE OF REPORT**

1.1 To update committee on the progress in Dundee to reduce the impact of funeral poverty.

### **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee

- a) Notes the range of work underway to respond to the causes and impacts of funeral poverty outlined in Section 5.
- b) Notes that as outlined in 5.2 the Executive Director of Neighbourhood Services will bring forward a separate report for approval to Committee on the proposals for procurement of a locally available Respectful Funeral Package
- c) Notes the Scottish Government and COSLA commitment to the removal of local authority fees for burial and cremation for children under 18 years old and the funding to support this as set out in section 5.4
- d) Notes the response by officers to the Scottish Government consultation on Funeral Expense Assistance Regulations in Appendix 1.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications from this report.

### **4.0 BACKGROUND**

4.1 Funeral poverty has been a growing problem in Scotland for a number of years. A recent Scottish Government report indicated that the average cost of a funeral in Scotland was £3,716. This was against a Social Fund Funeral Payment (SFFP) average award of £1,427, leaving an average shortfall of £2,289. The result of this is that the average debt taken on by individuals in regard to the cost of a relative's funeral is £1,601. According to the Scottish Government's Funeral Costs Plan August 2017, it is also the case that 49% of people who die have insufficient or no provision to cover such costs.

4.2 The first Dundee Fairness Commission report in 2016 identified funeral poverty as an area for further attention. Working together with community members of the Dundee Funeral Poverty Action Group, Council officers have developed, and are progressing, a range of measures to address this strategic priority.

### **5.0 ACTION ON FUNERAL POVERTY CURRENTLY BEING PURSUED IN DUNDEE**

#### **5.1 Dundee Funeral Support Service**

5.1.1 The Dundee Funeral Poverty Action Group (DFPAG) estimates that the average number of deaths per annum in Dundee is around 1,600. Approximately 400 of those who died will have

lived in 15% most deprived data zones in the city. The DFPAG has gathered information on people's experiences of funeral poverty in Dundee and identified 3 main areas of difficulty:-

- The high overall cost of funerals is a problem exacerbated in Dundee by higher than average burial and cremation charges. Even where people are eligible for the SFFP award, many struggle to make up the shortfall.
- Funeral directors frequently require a deposit to be paid to cover costs such as interment or cremation fees. These deposits are usually around £1,000 but can be as high as £1,900. Clients on low incomes can face these high charges. On occasion, if it appears that they may be unable to meet the full cost of a funeral, they may be denied.
- There is a lack of availability of affordable funeral package options and lack of access to affordable finance.

5.1.2 These findings led the Dundee Partnership to apply to the Scottish Government's Social Innovation Fund for a project to tackle funeral poverty in Dundee. Having secured funding to research options for a social enterprise model to tackle funeral poverty in Dundee, a further grant is currently funding the creation of a brokerage and advisory one-stop shop service to be known as the Dundee Funeral Support Service. This will support clients who have been bereaved and may be vulnerable and/or struggling financially at a time when they have difficult financial decisions to make around a dignified funeral. It is anticipated that this service will be up and running on a pilot basis by October this year. A further application for stage 3 funding to fully establish the service will be made in June 2019.

## 5.2 Reducing the cost of funerals

5.2.1 The Scottish Government and others have highlighted East Ayrshire Council's Respectful Funeral Package as best practice. East Ayrshire Council tendered for a dignified, low cost funeral incorporating a number of the services that families aspire to provide when burying a loved. These include a hearse and a service of remembrance at a crematorium or cemetery. Local undertakers were invited to submit quotations that would achieve a significant reduction in the fees for the undertaker's services. The Respectful Funeral Package also offers a range of costed additional services so that families can make an informed decision on the funeral they can afford. The East Ayrshire exercise achieved savings of an average of around £1,000 on the East Ayrshire average funeral cost of £2,772, a saving of 36.02%. Cremation or burial charges, however, continue to be a further cost.

5.2.2 Council officers are currently finalising a proposal and full specification for a Dundee Respectful Funeral package. It is anticipated that this will be presented to the Neighbourhood Services Committee for approval in November 2018. If approved, the Neighbourhood Services Department will procure the service which will then be promoted by the Council, the Dundee Funeral Support Service and the undertakers whose bids are accepted. Financial implications associated with this service will be limited to the cost of procuring and then promoting the service. These costs will be identified in the report to the Neighbourhood Services Committee.

## 5.3 Access to ethical, affordable loans towards funeral costs

5.3.1 As part of its funding agreement for 2018/19, Discovery Credit Union (DCU) has agreed to create a loan product specifically aimed at helping with funeral costs. Working with the Dundee Money Action Project, DCU will help bereaved families facing financial difficulties to access affordable, ethical loans, as well as advice on financial planning for the future. Dundee Money Action and other financial inclusion projects in the city will also be able to help maximise incomes and to deal with financial issues caused by the death of a family member.

## 5.4 Child Funerals

5.4.1 In June 2018, Dundee City Council agreed that the interment fees for children under the age of 18 be revoked and that there would be no charges other than the cost of purchasing a lair and its associated fees. (Article II of the minute of Policy and Resources Committee on 25th June 2018 refers).

5.4.2 COSLA and the Scottish Government have made a joint commitment to remove local authority fees for burial and cremation of children under 18 years old. They recently announced that financial support of £310,000 per annum has been allocated to Scottish local authorities to support this policy change. The distribution to each local authority will be determined by the population of 0-18 year olds in each local authority area. Council leaders and Chief Executives have been advised that there is an expectation that local policy and practice changes will be implemented by October 2018. Full details of these will be presented to committee at the earliest opportunity.

5.4.3 It has also been agreed that this funding should also be available to private providers to support the removal of their charges. This will be achieved through local agreement between the local authority and private providers.

## 5.5 National Assistance Funerals

5.5.1 The Council is also responsible for the provision of National Assistance Funerals. Under the National Assistance Act 1948, the Council has a statutory responsibility “to cause to be buried or cremated the dead body of any person who has died or been found dead in their area, in any case where it appears to the authority that no suitable arrangements for the disposal of the body have been or are being made otherwise than by the authority”

5.5.2 Between 2002 and 2015, National Assistance Funerals in Scotland increased by 34%. The average age of persons in need of an assisted funeral has dropped from 71 to 61. Prior to 2010, the most common reason for an assisted funeral was that no next of kin could be identified. By 2015, however, across Scotland, the most common reason was that the family was unable or unwilling to meet funeral costs (CAB Stirling Report November 2016: A Statistical Analyses of National Assistance Funerals across Scotland).

5.5.3 Over the last 5 years there have been an average of 15 to 20 National Assistance funerals per year in Dundee. The Council’s current contract for the provision of National Assistance Funerals is coming to an end and invitations were issued in August 2018 to local undertakers to provide a service for the next three years.

## 6.0 SCOTTISH GOVERNMENT CONSULTATIONS

### 6.1 Consultation on Funeral Expense Assistance Regulations

6.1.1 This consultation sought views on Funeral Expense Assistance (FEA) regulations which will aim to deliver timely and sensitive financial support to individuals and families who are facing difficulties in meeting funeral costs. FEA will be a one-off payment to support people on certain benefits or tax credits by providing a contribution towards the costs of a funeral. It is aimed at helping to improve outcomes for bereaved family and friends by reducing the burden of debt they may face when paying for a funeral.

6.1.2 The Scottish Government wants to ensure that the process to determine eligibility and provide support is handled as sensitively as possible. The aim will also be to reach more people with this benefit, improve the application process and make eligibility clearer to people in advance of having to make an application.

6.1.3 The deadline for responses to this consultation was 23 August 2018 and officers of the Council familiar with the technicalities of the current and proposed regulations responded on behalf of the Council see Appendix 1.

### 6.2 Consultation on Draft Statutory Guidance on Funeral Costs

6.2.1 This consultation seeks views on draft statutory guidance on funeral costs for local authorities, burial and cremation authorities, and funeral directors. The focus is on costs associated with arranging a funeral. This guidance sets out steps that burial authorities, cremation authorities, and funeral directors can take to improve transparency and availability of funeral pricing

information to help consumers to understand the costs associated with making arrangement for a funeral and choose the right option for them.

6.2.2 It has been emphasised that this guidance is not on regulation of the funeral sector. The Scottish Government appointed Scotland's first ever Inspector of Funeral Directors in April 2017, and the Inspector will make recommendations to Ministers on that subject by the end of 2018.

6.2.3 Council Officers will prepare a response to this consultation for approval by members prior to the consultation deadline of 8 November 2018.

**7.0 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no issues in this regard to report on.

An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>.

**8.0 CONSULTATIONS**

8.1 The Council Management Team has been consulted on and are in agreement with the terms of this report. Members of the Dundee Funeral Poverty Action Group and trustees of the Dundee Funeral Support Service have contributed to the preparation of the report.

**9.0 BACKGROUND PAPERS**

None

David R Martin  
Chief Executive

..... 14/09/2018

## CONSULTATION ON FUNERAL EXPENSE ASSISTANCE REGULATIONS

### Submission on behalf of Dundee City Council

#### Introductory remarks

Dundee City Council welcomes the Scottish Government's intent to take action to ease the burden on bereaved individuals and families when facing the rising costs of funerals. In the case of the proposed FEA, the system being developed by the Scottish Government is a significant improvement on the existing DWP Funeral Payment which has been administratively difficult and slow for applicants both in terms of the application and decision making processes. Overall, what is proposed here is a more sensitive and simpler process which should aid families having to make difficult decisions at a time when they are extremely vulnerable. This should also provide a benefit which will help tackle funeral poverty in Scotland

**Q1: Do you think that the draft regulations (Annex A) are likely to meet the policy intent set out in this document?**

Clarity and confirmation of the information contained at pages 9-10 of this consultation document must be written into guidance to sit alongside these draft regulations.

At regulation 5(2) it states that the determination of reasonableness lies with the Scottish ministers and that they need to consider whether someone other than the applicant, or the partner of the applicant, is the nearest relative of the deceased person along with any other relevant circumstances brought to their attention by the applicant. In no way should these regulations mimic the exclusory rule of immediate family members not in receipt of a qualifying benefit, as set out in the current Social Fund Maternity and Funeral Expenses (General) Regs 2005, reg. 8.

**Q2: Can you identify any potential unintended consequences of the regulations?**

Advisors to UC applicants may end up advising applicants to delay their application for a FEA in situations where UC payments have not been forthcoming or UC decisions to recover overpayments have resulted in a nil award of UC. Since there is a 6 month period in which a FEA can be made there is the potential for delays in taking responsibility for a funeral until the requisite entitlement to an FEA is met by an applicant on UC.

**Q3: Can you identify any gaps in the regulations?**

Need for clear exceptions to the FEA application window where benefit is backdated or an ex-gratia compensation payment is made as a result of benefit determinations being incorrect or a failure to claim at the time of the deceased's death due to wrong advice. Although mentioned at Q4 in respect of a backdated award there is insufficient detail in relation to the circumstances where the FEA might apply in cases of compensation or negligence.

**Q4: Is the application window for FEA clear?**

Yes although there needs to be more information regarding backdating exceptions and circumstances where a failure to claim a qualifying benefit has led to a compensation/ex-gratia payments made for wrong or insufficient advice. See 3. Above.

**Q5: We have proposed that the applicant must usually have the nearest relationship to the person who has died, and in exceptional family circumstances, such as estrangement, that they explain to Social Security Scotland why they should be considered to be the appropriate person who will take financial responsibility for the funeral.**

**Q5a: Do you agree with this approach?**

Yes

**Q6: We have proposed that applicants must be habitually resident in Scotland, and the person who has died must be ordinarily resident in the UK to qualify.**

**Q6a: Do you agree with this approach?**

No

**If no, please explain:**

Habitual residence can be used but it could potentially complicate the decision making process depending on how habitual residence is established. For example for means tested and disability benefits, unless you are exempt, you must be habitually resident in the Common Travel Area. For means tested benefits this includes having a right to reside in the Common Travel Area. For Income Based Jobseekers allowance it also includes the requirement to have been living in the Common Travel Area for the past three months unless you have been working abroad and paying class 1 or class 2 National Insurance Contributions. Therefore several definitions of habitual residence exist. Also it is worth noting that Housing Benefit offices can come to an independent decision on habitual residence, independent of the DWP. The question is which definition of habitual residence will apply in FEA cases.

**Q7: We propose that qualification by being in receipt of UC should be an award of more than £0 in the month before or the month in which the application is made.**

**Q7a: Do you agree with this approach?**

Yes but see Q2 unintended consequences above.

**Q8: Is the qualifying benefit / tax credit eligibility clear?**

No - As detailed in the consultation document **Support for Mortgage Interest** should be considered and added to the list of qualifying benefits. We also believe strongly that **Council Tax Reduction** should be considered as an additional qualifying benefit.

**Q9: We have proposed to continue with the presumption that where there is a bill outstanding and the applicant consents, the payment will be made directly to the funeral director. Where the bill has already been paid, the payment will be made to the applicant.**

**Q9a: Do you agree with this approach?**

Yes

**Q10: We have proposed not to make deductions from the payment award where there are assets in the name of the child who has died.**

**Q10a: Do you agree with this approach?**

Yes

**Q11: We have proposed that requests for an FEA re-determination should be made within 31 calendar days of receipt of notification of the original determination. Do you think that is an acceptable time period?**

No - In relation to an FEA we believe that a longer period of time for a request for re-determination is appropriate given the nature of the award and the overall effects that bereavement can have on an individual. We would suggest a three month period in which to ask for a determination. In most cases where the proposed 31 days is not adhered to, we believe that most applicants will be easily able to satisfy the good reason for the request being late.

**Q12: We have proposed that an FEA re-determination should be processed within 15 working days of receipt of a request. Do you think that is an acceptable time period?**

No - We believe that as short a processing time as possible is required in relation to Funeral Expense Assistance and believe that consideration be given to the proposed 15 working day processing time being reduced to 10 working days, except in cases where all information required to process the claim has not been forthcoming. If it is possible to process the initial application in the target time of 10 days, it should be possible to carry out a re-assessment in the same time. In some cases, receipt of an FEA will be a key factor in a bereaved individual or family's decision on whether they can afford to arrange a respectful funeral for a loved one, or whether, for example, a National Assistance Funeral is their only option. In such circumstances, the earliest possible final decision becomes crucial.

**Q13: Do you have any additional evidence or impacts which are not covered in the EQIA or CRWIA?**

There is considerable concern across Scotland over the plight of women affected by the pension changes introduced by the Pensions Act 2011 – the so-called WASPI women. The increases in the age at which these women will qualify for the state pension means that if one of them loses a spouse after 60, and before she qualifies for her pension at up to 66 years of age, then in addition to the loss of pension itself, women in that position may not be entitled to apply for an FEA. This would be an added unfairness and penalty on such women, and we would urge the Scottish Government to consider what provision can be made within the FEA regulations to ensure such women are not unfairly penalised in this way.

**Q14: Do you have any additional evidence or impacts which are not covered in the draft BRIA?**

No

