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The Rt Hon Frank Field MP
Chair
Work and Pensions Committee
House of Commons
London
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Dear Frank,

Thank you for inviting me, as part of the Committee's inquiry into support for the bereaved, to set out Scotland's approach to bereavement benefits. I have outlined below the work which we have recently undertaken to tackle funeral poverty including the publication of guidance on funeral costs and the development of our Funeral Support Payment benefit. This will replace the Department for Work and Pensions' Funeral Expenses Payment. I have also provided information on our position on the Bereavement Support Payment and our work on other related matters which I trust the Committee will find useful.

As you will be aware, funeral costs have risen significantly over the last 10 years^{1,2}. Research suggests that the average cost of a basic funeral in Scotland rose by 91% between 2004 and 2016 and that the overall average cost of a funeral is now between approximately £3,500 and £4,000. These rising costs are, of course, likely to have a greater impact on people on lower incomes, especially where the deceased has made little or no provision for the cost of the funeral.

Funeral Costs Plan

The Scottish Government launched its Funeral Costs Plan³ on 8 August 2017. The Plan sets out 10 actions that the Scottish Government will take during the current parliamentary term to help tackle funeral poverty. Those actions are informed by a number of stakeholder engagement events undertaken in September and October 2016 and by a subsequent National Conference on funeral poverty in November 2016. The development of the plan involved representatives from the National Association of Funeral Directors, National Society of Allied and Independent Funeral Directors, Scottish local authorities and a number of third

¹ <https://www.sunlife.co.uk/siteassets/documents/cost-of-dying/cost-of-dying-report-2018.pdf>

² <https://www.royallondon.com/siteassets/site-docs/media-centre/national-funeral-costs-index-2018.pdf>

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

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sector organisations. We recognise that tackling funeral poverty will require action by range of organisations.

Guidance on Funeral Costs

The Scottish Government has also worked closely with local government and the funeral industry to produce guidance on funeral costs⁴ which we published on 16 May 2019. The guidance focuses on improving the availability, transparency and consistency of information on funeral charges to help consumers to compare prices and choose the funeral option that is right for them. It encourages the use of clear and consistent language and improved transparency and the accommodation of the wishes of people who do not want to use the full services of a funeral director. The guidance also includes a section specifically for local authorities on setting burial and cremation charges and tackling funeral poverty.

I understand that the Committee has been particularly interested in whether agreement could be reached with the funeral industry on a definition of a simple funeral. Our consultation on a draft of the guidance in autumn 2019 included a proposed standard definition and while many responses were supportive, some concerns were raised about specific elements and about the potential for inconsistent application of the definition. Some responses also suggested that the proposed ability to add items to a simple funeral at a proportionate additional cost would merely encourage some providers to increase the basic cost to compensate for the exclusion of these “additional” services.

Taking account of this range of views we have included the following definition of a simple funeral in the guidance:

- The funeral director’s services;
- Attending to the necessary arrangements, such as completion of necessary certification, taking instructions from the client and providing guidance on registration and legally-required procedures;
- Provision of the necessary staff for care of the deceased;
- Provision of an appropriate and robust lined coffin suitable for burial or cremation;
- Transportation of the deceased person from the place of death during normal working hours (normally within fifteen miles but taking into account local circumstances);
- Appropriate arrangements for the uplift of the deceased and care of the deceased person prior to the funeral, in appropriate facilities;
- Viewing of the deceased person, during normal working hours, by appointment;
- Provision of a hearse or other appropriate vehicle direct to the nearest crematorium or cemetery at a date and time agreed with the funeral director and clearly described to the client;
- The opportunity to hold a service at the cemetery or crematorium at the time of committal; and
- If burial is specified (where this is available locally) this may involve an additional charge.

⁴ <https://www.gov.scot/publications/guidance-funeral-costs/>
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The definition does not include embalming, provision of a limousine, any third party fees or disbursements payable on the client's behalf or the service officiant's fee.

While the majority of voices from the industry have welcomed the published guidance and supported its launch some have reserved judgement on the benefits and efficacy of the definition of a simple funeral. We will continue to work with the industry as the guidance is implemented to learn from its experience. The guidance is advisory and does not impose new requirements or conditions on funeral directors, burial authorities or cremation authorities.

Funeral Support Payment

One of the key actions set out in our Funeral Costs Plan is the delivery of the Funeral Support Payment (formerly referred to as Funeral Expense Assistance), replacing the current DWP Funeral Expenses Payment. The Funeral Support Payment will be launched in summer 2019 and will help people on lower incomes who are struggling to pay for a funeral with a one-off contribution towards those costs. We have made it clear that the Scottish Government intends to replace the adversarial nature of the present social security system with a system founded on dignity, fairness and respect. It may therefore be helpful if I set out the characteristics of the Funeral Support Payment, and our approach to its design and development, in terms of the principles contained in the first section of the Social Security (Scotland) Act 2016:

- Social security is an investment in the people of Scotland – the Funeral Support Payment widens eligibility by 40% in comparison⁵ with the UK Government's Funeral Expenses Payment to reach around 4,400 people each year. This will provide much needed support to people who would have received no help at all under the current system. This widening of eligibility is backed by around £2 million of Scottish Government funding above that expected to transfer from the UK Government in the first full year of operation. In addition to widening eligibility we have committed to uprate the £700 flat rate part of the payment annually, taking into account the impact of inflation.
- Social security is a human right – we want to maximise take up of the Funeral Support Payment. To do this we will provide clear information about an individual's entitlement of the benefit, i.e. eligibility criteria, and how to apply. We have developed a Funeral Support Payment engagement plan that ensures that we will work with a wide range of stakeholders at both national and local levels to raise awareness and increase take-up. This will include a series of national roadshows in summer 2019 that will help to inform and prepare front line staff such as Funeral Directors, Registrars, Local Authorities and the Advice Sector about the new benefit in time for its launch. A range of support and promotional materials including a stakeholder toolkit for organisations to support their clients when making applications will be developed. This will help ensure that clients understand not only their entitlement but also any support they might be awarded.
- Respect for the dignity of individuals – the Funeral Support Payment is designed to reduce intrusive questioning where possible while maintaining a fair and consistent decision making system. We understand that the uncertainty waiting for a decision adds

⁵ The Scottish Fiscal Commission Budget published 12 December 2018 - <http://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts/scotlands-economicand-fiscal-forecasts-december-2018/>

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to stress at an already difficult time and so we will process completed applications in 10 working days and make payment as soon as practicable thereafter.

- The Scottish social security system is to contribute to reducing poverty in Scotland – eligibility for the Funeral Support Payment is designed to reach people in poverty and at risk of falling in to poverty. We are actively promoting not just the Funeral Support Payment but all of the benefits we deliver so we can reach people in need of this financial support. For the Funeral Support Payment, we will proactively promote it in places where people who may need this support may visit – including registry offices, through NHS bereavement services and through funeral directors, as well as through other routes such as local authorities and welfare advice services, social media and traditional media. Our communications will be clear and will highlight eligibility in an effort to drive applications from those who are likely to receive this support.
- The Scottish social security system is to be designed with the people of Scotland on the basis of evidence – both the policy decisions and the service design for the delivery of Funeral Support Payment has undergone extensive modelling, research and user engagement to provide us with a good evidence base for our decisions. For example, the extensive end user research and testing has spanned the length and breadth of Scotland and has included users from different faith and minority groups as well as those with accessibility needs. We have also worked closely with stakeholders from local authorities, funeral directors and third sector organisations to understand the pressures faced by individuals trying to organise a funeral with limited financial support. This research, testing, and feedback has been considered throughout this iterative process to continually make improvements as we move through development. We will introduce a new online application channel so that people have more choice to ensure clients are able to apply in the way that is best for them: by phone, by post, or online. In due course people will be able to access support face to face through our Social Security Scotland local delivery.

In addition to the user research and testing, we have engaged with the DWP to ensure that users of both services, i.e. Social Security Scotland and DWP, will continue to receive a smooth service throughout. This includes putting in place a warm handover from the DWP's Bereavement Service which may be the first point of contact many of our clients have when applying for a Funeral Support Payment as they might also be making an application for the Bereavement Support Payment.

We will ensure that the remaining principles (that opportunities are to be sought to continuously improve the Scottish social security system in ways which put the needs of those who require assistance first, and that the Scottish social security system is to be efficient and deliver value for money) are applied to the delivery of the Funeral Support Payment.

Bereavement Support Payment

As you will be aware, the UK Government replaced Widowed Parent's Allowance, Bereavement Payment and Bereavement Allowance (previously Widow's Pension) in 2017 with a new Bereavement Support Payment. The new Payment is intended to provide a more uniform structure providing help with the more immediate costs caused by the death of a spouse or civil partner. However, the Scottish Government is concerned about the adverse impact of the changes, particularly the significant cuts to Widowed Parent's Allowance. On 9 March 2017, Jeane Freeman MSP, the then Minister for Social Security in the Scottish

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Government, wrote to Caroline Nokes MP, then Minister for Welfare Delivery, expressing our concerns in particular about the changes to Widowed Parents Allowance. While I recognise that financial support can never make up for the loss of a parent or partner, the changes introduced by the UK Government have reduced the support available to bereaved spouses or civil partners at the time when they need it most.

Other Scottish Government action

Planning Your Own Funeral

The Guidance on Funeral Costs complements other actions in our Funeral Costs Plan which aim to encourage people to talk about, plan and provide for their funeral and to help those who may struggle to do so. This includes the publication in 2017 of the “Planning Your Own Funeral” leaflet which is designed to encourage people to feel more comfortable talking about dying and discussing their funeral wishes with friends and family. The content was developed with the Scottish Working group on Funeral Poverty which includes members from a broad range of organisations with an interest in this area. These leaflets have been distributed across Scotland to Citizens’ Advice Bureau offices, GP surgeries and other services as well as being made available in an interactive online version.

Training for Advisors

The Scottish Government provided funding for Citizens Advice Scotland in November 2016 to design, develop, and deliver training materials for advisors so that they can provide consistent advice to members of the public about their options both at an early stage of planning and at the point of bereavement. The first part of this training, on the current DWP Funeral Payment, launched in April 2017. The second part, on longer term funeral planning, launched in August 2017. The training is available to anyone who wishes to complete it through the Child Poverty Action Group website.

Incentivised Savings

In February 2016 the report Funeral Poverty: A Review for Scottish Government, co-authored by Citizens Advice Scotland and John Birrell (a bereavement consultant and then Chair of the Scottish Working Group on Funeral Poverty) was published. It included a recommendation that the Scottish Government explore the possibility of developing a Scottish Funeral Bond scheme to encourage people to begin to save for their funeral. We intend, therefore, to develop an incentivised funeral savings scheme which we will pilot in autumn 2020.

Removal of Child Burial and Cremation Fees

In addition to the Funeral Costs Plan, the Scottish Government has worked with the Convention of Scottish Local Authorities to reach agreement to remove local authority burial and cremation charges for under 18s. This agreement was implemented in 2018 and is supported by Scottish Government funding. Local authorities are working with private cemeteries and crematoriums to pass on funding where private providers agree to remove these fees.

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Regulation of Funeral Directors' Businesses

Scottish Ministers appointed an Inspector of Funeral Directors in 2017 for a period of two years to examine existing practices and procedures within the funeral industry in Scotland. The Inspector has submitted her recommendations on how funeral directors' businesses should be regulated and these are being considered by Scottish Ministers.

Competition and Markets Authority Market Investigation

Neither our Funeral Costs Guidance nor our proposed regulatory standards attempt to cap or constrain funeral prices, market regulation being a matter reserved to Westminster. However, as the Committee will be aware, the Competition and Markets Authority (CMA) is currently undertaking a market investigation examining the costs of funerals and charging of services by both funeral director businesses and crematorium operators across the UK. The Scottish Government awaits with interest the outcome and findings of this investigation and officials will continue to engage with the CMA on its work.

I trust that this letter provides the Committee with helpful information about the range of actions which the Scottish Government is taking to help bereaved individuals and families, particularly those who may struggle to pay for a funeral, and about our distinctive approach to this work in Scotland.

Yours sincerely,



SHIRLEY-ANNE SOMERVILLE

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