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Funeral Costs Plan



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Foreword



The death of a close relative or friend is one of the most difficult things that any of us will ever experience. It can be even harder if money is tight. People being pushed into poverty because they have a funeral to pay for is a growing problem. Those who are already in poverty can face additional hardship because of funeral costs. If no action is taken and prices continue to rise, more and more people will struggle with debt as a result of paying for a funeral.

This Funeral Costs Plan sets out 10 actions that the Scottish Government will take across a range of areas to help tackle funeral poverty and make more affordable funeral options available.

This plan is based on firm foundations. The Scottish Government held a National Conference on Funeral Poverty in November 2016 and has hosted three roundtable discussions on this issue involving local authorities, the funeral industry, advice services and other third sector organisations. If we work together then we can make a difference and stop people falling into poverty as a result of arranging a funeral that they cannot afford.

Discussions so far have been positive, and there are examples of local authorities, credit unions and social enterprises creating new products and ways of delivering more affordable funerals. The funeral industry is also taking steps to make its pricing clearer for customers, and to increase awareness of affordable funeral options. I welcome the efforts that are already underway but there is still more that can be done.

As well as improving the availability of affordable funeral options, I want the Scottish Government to provide support directly to those who need it most at the point of bereavement. A key way we will do this is by delivering the new Funeral Expense Assistance (FEA) benefit by summer 2019.

We have heard from people who have been bereaved about the stress that is caused by the complex eligibility criteria and application process for the current Department for Work and Pensions (DWP) Funeral Payment; and by the length of time that it takes to make payments. We have already said that we will aim to process our FEA applications within 10 working days of receiving the completed application. We will continue to listen to people who have experience of the current DWP system and we will seek expert opinions, including from the FEA Reference Group, to make our new application process easier to understand.

Not everyone can afford to put money aside to pay for their funeral. But it is important that where they are able to do so, people take action to plan and save for their funeral.

We need to encourage everyone to talk about what will happen after they die. We also need to help everyone understand the different options available for a funeral. Finally, we need to increase awareness of the different savings and insurance products that are available.

The Scottish Government has provided funding to Citizens Advice Scotland to develop training for advisors across Scotland on funeral planning and support available at the point of bereavement, so that people throughout the country are able to access consistent advice. In addition, we have published Planning Your Own Funeral which helps people record what they want for their funeral and suggests ways in which they can start a conversation about their wishes with friends and family. In the longer term, we will pilot a Scottish funeral bond to help people save for their funeral.

I also want to work with the UK Government to improve the regulation of products such as funeral plans, so that they are not mis-sold to members of the public. Work has already been done in this area, for example by the Funeral Planning Authority, but we still need to take action to protect consumer interests and improve public confidence.

I look forward to continuing to work with the funeral industry, local authorities, credit unions, social enterprises and others as the Scottish Government delivers on these actions during this Parliamentary term.

**Angela Constance MSP,
Cabinet Secretary for Communities, Social Security and Equalities**

Scottish Government Action Plan on Funeral Poverty

Tackling funeral poverty is one strand of the Scottish Government's work to address the inequalities that exist in our society, as set out in the [Fairer Scotland Action Plan](#)¹.

Ten actions that the Scottish Government will take to help tackle funeral poverty are set out in this Funeral Costs Plan. As we recognise that making progress will require action from organisations and individuals, as well as the Scottish Government, we have developed these actions working with others wherever we can.

- 1. We will launch the new Funeral Expense Assistance benefit by summer 2019**
- 2. We will publish guidance on funeral costs by December 2018**
- 3. We will support provision of more consistent advice on planning for a funeral, support at the point of bereavement and support after a funeral**
- 4. We will publish and promote Planning Your Own Funeral to help people think about and record plans for their funeral**
- 5. We will seek to strengthen consumer protection in relation to pre-paid funeral plans**
- 6. We will support greater public and personal discussion of bereavement, death, dying and care at the end of life**
- 7. We will make more people aware of the products credit unions offer, including those specifically for funerals**
- 8. We will deliver a Social Innovation Fund to help social enterprises tackle poverty and disadvantage, including funeral poverty**
- 9. We will provide more options to help people save for their funeral by piloting a Scottish funeral bond**
- 10. We will improve the evidence base relating to funeral poverty to help us assess the effectiveness of our actions**

¹ www.gov.scot/Publications/2016/10/9964

Introduction

What is funeral poverty?

Funeral costs have risen significantly over the last 10 years. This means that individuals and families are more likely to experience a financial shock as a result of having to pay for a funeral, especially where the person who has died has made little or no provision for the cost of the funeral. This can push people into unsustainable debt which can interfere with the grieving process, and have an impact on mental and physical health.

This Funeral Costs Plan sets out 10 actions that the Scottish Government will take across a broad range of areas to tackle funeral poverty and make more affordable funeral options available.

 **£1,363**

2016 AVERAGE SCOTTISH
LOCAL AUTHORITY BURIAL CHARGE²

 **£669**

2016 AVERAGE SCOTTISH
LOCAL AUTHORITY CREMATION CHARGE³

THE AVERAGE FUNERAL DIRECTOR FEE FOR A BASIC FUNERAL
IN SCOTLAND IS AROUND **£2,000**⁴

THE AVERAGE COST OF A BASIC FUNERAL
IN SCOTLAND IN 2016 WAS

 **£3,716**⁵

“We set up our funeral support project Down to Earth in 2010, and since then we have helped over 2,500 bereaved people to avoid debt and distress at a time when the average basic funeral cost in the UK has risen to £3,897. We work alongside them to plan an affordable and meaningful funeral, and ensure they can mitigate debt by accessing any state or charitable grants available. As funeral costs continue to rise, we’ve found it harder and harder to access adequate financial support, with many low-income families now facing inevitable debt. Demand for our support has almost trebled over the past three years.”

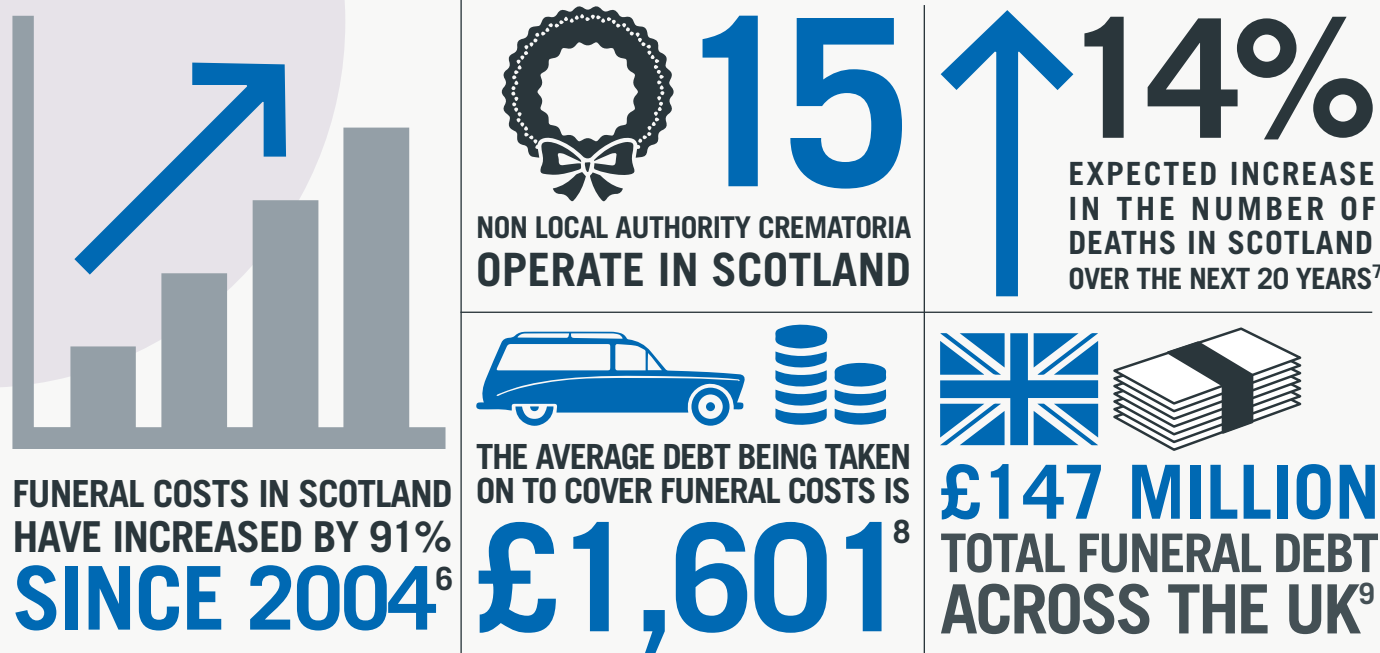
Quaker Social Action

2 www.cas.org.uk/system/files/publications/cost_of_saying_goodbye_2016_digital_1.pdf

3 www.cas.org.uk/system/files/publications/cost_of_saying_goodbye_2016_digital_1.pdf

4 www.iccm-uk.com/iccm/library/Royal%20London%20National%20Funeral%20Cost%20Index%202016%20Final-1.pdf

5 www.sunlife.co.uk/costofdying2016/#



Tackling Funeral Poverty: A Joint Approach

We recognise that a range of organisations and individuals need to work together to tackle funeral poverty.

A number of bodies are already active in relation to funeral poverty in Scotland, including the [Scottish Working Group on Funeral Poverty](#)¹⁰ which formed in 2012. The group is chaired by John Birrell, an independent Bereavement Consultant.

At a UK level, in September 2014, Quaker Social Action formed the Funeral Poverty Alliance, a network of not-for-profit organisations to campaign collectively against funeral poverty.

[Funeral Poverty in Scotland, a Review for Scottish Government](#)¹¹ was published in February 2016 alongside a [Scottish Government Response](#)¹². The review found that:

- The rise in funeral costs means that paying for a funeral is a significant financial shock and there is a substantial shortfall between the cost of a funeral and what people can afford;
- Local authority and funeral director costs vary widely and are consistently increasing;
- While insurance products and pre-paid funeral plans can contribute to a solution, there are concerns about transparency and security; and
- The reluctance to talk about death and dying contributes to the problem. People need a higher level of 'funeral literacy' to safely navigate the system.

⁶ SunLife 2016 Cost of Dying www.sunlife.co.uk/costofdying2016/#

⁷ ONS principle population projections for Scotland - www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/

⁸ The Royal London National Funeral Cost Index Report 2016 www.iccm-uk.com/ICCM/LIBRARY/ROYAL%20LONDON%20NATIONAL%20FUNERAL%20COST%20INDEX%202016%20FINAL-1.PDF

⁹ The Royal London National Funeral Cost Index Report 2016 www.iccm-uk.com/ICCM/LIBRARY/ROYAL%20LONDON%20NATIONAL%20FUNERAL%20COST%20INDEX%202016%20FINAL-1.PDF

¹⁰ www.swgfp.org/index.asp

¹¹ www.cas.org.uk/system/files/publications/funeral_poverty_in_scotland_0.pdf

¹² www.gov.scot/Topics/People/fairerscotland/future-powers/Publications/FuneralPoverty

Progress so far

The Scottish Government has already undertaken a number of actions, working with stakeholders, to address funeral poverty. This includes:

- March 2015: removal of £170 doctor's fee from cremation charges, resulting in parity between burial and cremation, and reducing the cost for members of the public choosing a cremation;
- October 2015: Scottish Government commissioned John Birrell and Citizens Advice Scotland to prepare a report on Funeral Poverty in Scotland;
- February 2016: Funeral Poverty in Scotland, a Review for Scottish Government was published alongside the Scottish Government's Response;
- March 2016: Funeral Expense Assistance and Funeral Poverty Reference Group established to support policy development of the benefit that will replace the current DWP Funeral Payment;
- April 2016: Burial & Cremation (Scotland) Act 2016 received Royal Assent. This Act includes powers for the Scottish Government to issue guidance on funeral costs. It also requires local authority burial and cremation authorities to publish information on charges. These measures will improve transparency of pricing and help members of the public to more easily access charging information in advance of arranging a funeral;
- July - October 2016: Consultation on the Social Security Bill, including the Funeral Expense Assistance benefit;
- October 2016: Fairer Scotland Action Plan published. This outlines 50 actions to help tackle poverty, reduce inequality and build a fairer and more inclusive Scotland, including an action on tackling funeral poverty;
- Autumn 2016: Three round table discussions on funeral poverty hosted by the Cabinet Secretary for Communities, Social Security and Equalities with the funeral industry, local authorities, advice services and other third sector organisations;
- November 2016: National Conference on Funeral Poverty held to look at issues related to funeral poverty, build consensus and consider potential solutions;
- April 2017: Scottish Government funded e-learning course launched by Citizens Advice Scotland for advisors on the current DWP Funeral Payment;
- April 2017: Appointment of first Inspector of Funeral Directors. The Inspector will spend the first 18 months of their two-year appointment undertaking a review of the funeral profession, with a view to making recommendations to Scottish Ministers on how it should be regulated, including whether to introduce a licensing regime;
- June 2017: Social Security Bill introduced to the Scottish Parliament; and
- August 2017: Publication of Funeral Costs Plan.

Actions

Action 1: We will launch the new Funeral Expense Assistance (FEA) benefit by summer 2019

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THE DWP FUNERAL PAYMENT IS ONE OF ELEVEN BENEFITS BEING DEVOLVED TO THE SCOTTISH GOVERNMENT DURING THIS PARLIAMENTARY SESSION



2016/17 DWP FUNERAL PAYMENT
AVERAGE PAYMENT OF
£1,427¹³

4,000

2015/16 AROUND 4,000 PEOPLE IN SCOTLAND WERE AWARDED A DWP FUNERAL PAYMENT (REPRESENTING AROUND 7% OF ALL FUNERALS¹⁴)

Treating all applicants with dignity and respect

The Social Security (Scotland) Bill, which was introduced to the Scottish Parliament in June 2017, will establish the first social security system in the UK to be based on the statutory principle that social security is a human right.

All aspects of the design, development and implementation of this new system will be defined by the following seven core principles:

- Social security is an investment in the people of Scotland;
- Social security is a human right, essential to the realisation of other human rights;
- Respect for the dignity of individuals is at the heart of everything we do;
- Scottish Ministers have a role in ensuring that individuals are given what they are eligible to be given under the Scottish social security system;
- Our processes and services will be evidence based and designed with the people of Scotland;
- We will strive for continuous improvement in all our policies, processes and systems, putting the user experience first; and
- We will demonstrate that our services are efficient and value for money.

¹³ www.gov.uk/government/uploads/system/uploads/attachment_data/file/630382/social-fund-annual-report-2016-2017.pdf

¹⁴ Based on a percentage of deaths in Scotland in 2015 (57,579)

Working with organisations and individuals when developing Funeral Expense Assistance

A defining feature of our approach to developing the Scottish Social Security System as a whole is that every aspect of the new system will be developed in partnership with the people who know the system best. We have recruited over 2,400 people with direct experience of the current system to help design, build and refine a new and better model for Scotland through our Experience Panels. This approach will give people who know the system best an active role in designing and shaping the new system to meet their needs from the outset.

For FEA specifically, we have formed a reference group which includes members from a wide range of organisations and individuals with experience of the current benefit, and of funeral poverty more generally, who have committed to helping us develop the new FEA. Details of the membership of the group, its remit and notes of its meetings are available on the [Scottish Government](#) website¹⁵. Members of this group have also been involved in initial work to develop an application process for FEA, recognising that there are a number of aspects of the current application process that people find challenging and which the Scottish Government wants to improve.

Speeding up the payment

In response to concerns we have heard about the speed of processing of the current DWP Funeral Payment, the Scottish Government has already said that we will aim to process applications for FEA within 10 working days of receipt of a completed application and make payments as soon as practicable thereafter. This will provide additional certainty for applicants and funeral directors about when a payment will be made.

Increasing take-up

We will also use our new powers to reach more of those in need with FEA, reducing the need for borrowing and the stress that this can cause.

The Scottish Government believes that people should get all the help they are entitled to. That is why the Social Security (Scotland) Bill includes a statutory principle which reflects the Scottish Government's commitment to help maximise peoples' incomes and encourage the take-up of all benefits.

We are working to increase awareness and take-up of the current DWP Funeral Payment. This includes providing funding to Citizens Advice Scotland to develop an e-learning module to assist advisors who help people apply for the payment. This module launched in April 2017 and is available from the Child Poverty Action Group website.

We will continue to look for opportunities to publicise the DWP Funeral Payment and increase take-up. We will also include the DWP Bereavement Support Payment as part of this. Although this benefit will continue to be administered by the Department for Work and Pensions, we think that it is important that individuals are aware that there is a range of financial support that they may be eligible for at the point of bereavement, not only the benefits administered by the Scottish Government.

¹⁵ www.gov.scot/Topics/People/fairerscotland/Social-Security/Governance/Funeral-Reference-Group

Later this year, we will engage with people aged 65 and older to raise awareness of the different benefits and entitlements they are eligible for and encourage them to access this support. Before that, an all-Scotland approach will be taken to encourage everyone to claim for the benefits and support they are entitled to, building on a similar campaign that ran early in 2017.

Action 2: We will publish guidance on funeral costs by December 2018

The cost of a funeral depends on a number of factors including:

- whether cremation or a burial is chosen;
- the place where the person who has died was resident;
- whether a funeral director is used; and
- choices made about a range of other matters such as flowers, type of coffin, and type of transportation.

Funeral costs have increased significantly over the last decade and we want to work with local authorities, the funeral industry and others with an interest to prepare statutory guidance on these costs. Later this year, we will begin the formal consultation process to prepare this guidance and will publish it by the end of 2018.

Local authorities

We see local government as a key partner in our work to tackle funeral poverty and make more affordable funeral options available.

Local authorities publish burial charges at present and the duty to publish charges for crematoria is expected to come into force later in 2017. This will improve the information available to members of the public about burial and cremation charges in their area.

In addition to publishing charging information, the Scottish Government supports improving the availability of information on costs incurred by local authorities in relation to cemeteries and crematoria, including presenting this in a more consistent manner across local authorities.

Local authorities, COSLA and the Scottish Government are already looking at the reasons for variability of costs and charging for burial and cremation across Scotland, recognising that local councils are responsible for setting their own charges. Understanding the underlying reasons for increases in charges and variability of charging will provide a good foundation for development of the statutory guidance on funeral costs.

We also want to work with local authorities to better understand provision and trends in relation to Local Assistance Funerals.

Local authorities can also play a role in innovation on provision of funerals. Earlier this year, East Ayrshire Council launched the [East Ayrshire Respectful Funeral](#)¹⁶. The service model was developed by East Ayrshire Council, learning from funeral service delivery models including that used by Cardiff City Council, with the aim of creating a package that is dignified and professional but still affordable. The funeral package is provided by three local funeral directors. The price charged for the service varies across the three providers and East Ayrshire Council indicates that these represent a saving compared to the average funeral director charge. A number of other local authorities are currently looking at this model to see whether it might be helpful to develop a similar product in their area.

Commitment: Variation of charging

“COSLA Leaders have endorsed the Fairer Scotland Action Plan which includes an action on funeral poverty. Local Government is committed to working with the Scottish Government to understand the reasons for variation in funeral charges and look at whether the way this information is presented can be made more consistent. COSLA is also committed to bringing local authorities together to discuss ways they can contribute to tackling funeral poverty.”

COSLA

Funeral directors

Another key partner in our work on funeral poverty and making affordable options more widely available is the funeral industry.

We have heard that it can be difficult to know in advance how much a funeral may cost, although both the professional associations that represent the industry, the National Association of Funeral Directors (NAFD) and the National Society of Allied and Independent Funeral Directors (SAIF), require their members to provide a written estimate of costs.

Some funeral directors' services are provided as part of a package and, in these circumstances, we have heard that it can be difficult to establish the cost of each individual element, although most funeral directors will provide an itemised bill if asked. It is relatively common for a funeral director to invoice the customer for the elements of the funeral which have been provided by a burial authority or cremation authority. As such, the customer tends to deal only with the funeral director. While the customer may find this co-ordination by the funeral director useful, it can cause the customer confusion about the source of charges.

Developments in this area which the Scottish Government would be supportive of include: more proactive publication of prices online; additional standardisation of descriptors for services; a flexible approach to charging of deposits; and improving access to affordable options, such as direct cremation. We are committed to continued engagement with the NAFD and SAIF, including as part of the process to develop guidance on funeral costs.

¹⁶ www.east-ayrshire.gov.uk/Resources/PDF/F/Respectful-Funeral-Service.pdf

Commitment: Transparency of pricing

“We, the professional associations that represent 80% of all funeral directors in Scotland, commit to working with our members to improve transparency of pricing. We have recently agreed a joint code of practice. This code includes a requirement for our members to provide every client with a clear written confirmation of funeral arrangements together with an estimate of all the costs to be incurred based on the arrangements that have been agreed.

In addition, we ensure that all members include clear prices in a public and prominent place in their premises and that clients are able to take away a copy of their prices, especially if members visited clients at home. We will also actively encourage our members to include clear prices on their website if they have one.”

National Association of Funeral Directors (NAFD)

National Society of Allied and Independent Funeral Directors (SAIF)

Action 3: We will support provision of more consistent advice on planning for a funeral, support at the point of bereavement and after a funeral

We have always been clear that having the right advice available is essential to support the most vulnerable people in our society and plays a vital role in tackling poverty. We want to make sure that people can access advice in order to help them plan for a funeral. We also want to make sure that advice is provided at the point of bereavement and after a funeral, including for those people who find themselves in debt or who may be entitled to additional support as a result of a change in their financial circumstances after a bereavement.

We recognise that early access to advice can prevent escalation of issues, which delivers better outcomes for the individual.

Funding for advice services

In 2016/17 the Scottish Government provided over £21 million of funding to a range of organisations to support the provision of independent advice on income maximisation and the exercising of civil rights. A similar level of investment is planned for 2017/18.

In November 2016 we announced additional funding for Citizens Advice Scotland 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. We are committed to working with advice organisations to update training provision when the Scottish Funeral Expense Assistance benefit launches.

Scottish Government death and bereavement hub

The [death and bereavement information hub](#)¹⁷ is available on mygov.scot. This provides information on a range of matters including making plans for when you die; how to arrange a funeral and funeral costs; and support and advice following bereavement.

Commitment: Raising awareness

We commit to raising awareness of funeral poverty through our networks, websites and publications. This includes highlighting the support available and encouraging people to plan ahead for their funeral.

Scottish Working Group on Funeral Poverty:

- Association of Bereavement Service Coordinators
- Association of Hospice and Palliative Care Chaplains
- Citizens Advice Scotland
- Church of Scotland
- Convention of Scottish Local Authorities (COSLA)
- Cruse Bereavement Care Scotland
- Funeral Planning Authority
- Good Life, Good Death, Good Grief
- Humanist Society of Scotland
- Money Advice Scotland
- National Association of Funeral Directors (NAFD)
- National Society of Allied and Independent Funeral Directors (SAIF)
- NHS Bereavement Coordinators
- Marie Curie
- Pushing Up The Daisies
- Quaker Social Action
- Scottish Bereavement Benchmarking Group
- Scottish Partnership for Palliative Care (SPPC)
- Scottish Pensioners Forum
- Scottish Care
- Scottish Older People's Assembly

¹⁷ www.mygov.scot/births-deaths-marriages/death-bereavement/

Action 4: We will publish and promote Planning Your Own Funeral to help people think about and record plans for their funeral



The Scottish Government and the Scottish Working Group on Funeral Poverty have developed the Planning Your Own Funeral leaflet to help people prepare for their funeral. It is expected that this leaflet will sit alongside a person's will and power of attorney, as part of the suite of end-of-life planning tools. The leaflet sets out:

- The importance of forward planning for your funeral;
- Ideas for initiating conversation with family and friends about your funeral wishes;
- Suggestions for specific topics to be discussed;
- Some options to think about in terms of saving for your funeral; and
- A questionnaire where you can record your choices.

Planning Your Own Funeral was published to coincide with the launch of the Funeral Costs Plan.

¹⁸ The Royal London National Funeral Cost Index Report 2016 www.iccm-uk.com/ICCM/LIBRARY/ROYAL%20LONDON%20NATIONAL%20FUNERAL%20COST%20INDEX%202016%20FINAL-1.PDF

¹⁹ SunLife 2016 Cost of Dying www.sunlife.co.uk/costofdying2016/#

²⁰ www.iccm-uk.com/iccm/library/Royal%20London%20National%20Funeral%20Cost%20Index%202016%20Final-1.pdf

²¹ NatCen Social Research's British Social Attitudes survey 2013

Action 5: We will seek to strengthen consumer protection in relation to pre-paid funeral plans



OVER 200,000 FUNERAL PLANS WERE SOLD IN THE UK IN 2016²²

We want to make sure that consumers have sufficient protection when taking out a product to help them pay for a funeral and understand what is and is not included in a funeral plan. To ensure this, we think it is important that regulation of funeral plans is strengthened.

The Scottish Government has already written to the Financial Conduct Authority (FCA) about this matter and also about Whole of Life, Over 50s and similar types of insurance plans. We have also shared a copy of this Funeral Costs Plan with the UK Government and will continue to engage with UK Ministers to improve consumer protection and regulation of pre-paid funeral plans and insurance. We will continue to engage with other UK bodies, such as the Competition and Markets Authority, on operation of the funeral market in general.

Action 6: We will support greater public and personal discussion of bereavement, death, dying and care at the end of life

The Scottish Government's 2015 Strategic Framework for Action on Palliative and End of Life Care (SFA) sets out ten commitments, geared towards implementing the document's overall vision that by 2021 everyone in Scotland who needs palliative care will have access to it. Commitment 6 states that the Scottish Government will support greater public and personal discussion of bereavement, death, dying and care at the end of life.

Much of the effort to engage with the public on palliative and end of life care has been taken forward by the Scottish Partnership for Palliative Care (SPPC). Since 2011, the SPPC has led a campaign known as 'Good Life, Good Death, Good Grief', which seeks to improve people's awareness of ways to cope with death, dying and bereavement, and to ensure people are better equipped to support each other.

The Scottish Government is providing £75,000 to the SPPC to take forward this area of work over the next two years. The SPPC has proposed using this funding to:

- Promote and model more open and supportive cultures relating to death, dying and bereavement in Scotland;

- Provide opportunities for people and organisations working in this field to share learning and work together;
- Explore opportunities to link with, inform and support other relevant workstreams such as anticipatory care planning, realistic medicine, dementia and health literacy;
- Run annual awareness weeks; and
- Run annual “To Absent Friends” festivals.

Action 7: We will make more people aware of the products credit unions offer, including those specifically for funerals

Credit unions provide vital financial products and services to people from all walks of life, including those facing financial exclusion. There have been recent developments in provision of products related to funerals by credit unions. For example, White Cart Credit Union offers a funeral plan product which the member makes regular contributions to, allowing them to pay for their funeral in advance of their death. Renfrewshire Wide Credit Union has introduced an affordable loan for the recently bereaved to help with the cost of a funeral. Renfrewshire Wide Credit Union received support from the local authority which enabled it to design and promote its funeral loan product.

[Scotland’s Credit Unions: Investing in Our Future](#)²³, published by the Scottish Government in February 2016, recognises the importance of raising the profile of the movement to grow its capacity. We will therefore work to deliver a national credit union awareness raising campaign, as well as collaborate with trade associations and sector representatives to identify opportunities for targeted local activity on funeral poverty.

Commitment: New products

“We commit to working with the Scottish Government to explore what is possible in terms of the development of new products by Credit Unions to help tackle funeral poverty, including the Scottish funeral bond. We also commit to raising awareness of funeral poverty at a local level through our networks and publicity.”

ACE Credit Union Services

Association of British Credit Unions Limited

The Scottish League of Credit Unions

UK Credit Unions

Action 8: We will deliver a Social Innovation Fund to help social enterprises tackle poverty and disadvantage, including funeral poverty

We want to promote innovative work to address funeral poverty. To support this, we have already invested approximately £250,000 in social enterprises who are working with others, such as credit unions and research institutions.

This investment includes almost £200,000 from the £3 million Social Innovation Fund²⁴. This Fund contributes towards the Scottish Government's £29 million European Social Fund 'Tackling Poverty and Promoting Social Inclusion' programme. In addition, the Scottish Government will continue to invest in developing, testing and scaling innovative solutions to poverty and disadvantage by encouraging collaboration and partnership working.

Action 9: We will provide more options to help people save for their funeral by piloting a Scottish funeral bond

We understand that some people may need additional assistance to save for their funeral. In order to encourage more people to save for their funeral, we have committed to developing a Scottish funeral bond.

A number of insurance products and pre-payment funeral plans are already available and the Scottish Government does not wish to duplicate existing provision. Instead, we plan to pilot an incentivised savings product, and have begun initial discussions with stakeholders, including credit unions, on this matter to determine the best way to do it. In developing a Scottish funeral bond, we will look to create an appropriate framework to evaluate the effectiveness of this product to see whether wider availability is likely to be effective in helping to encourage people to save for their funeral.

²⁴ www.beta.gov.scot/publications/social-innovation-fund-guidance/

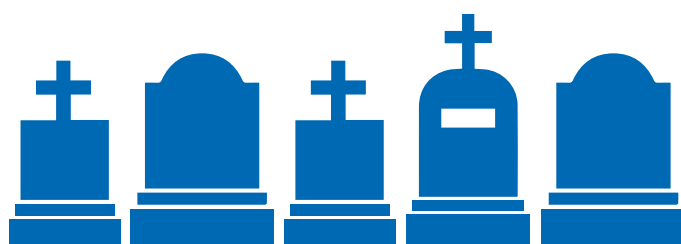
Action 10: We will improve the evidence base relating to funeral poverty to help us assess the effectiveness of our actions



**OVER 2,400 PEOPLE
HAVE VOLUNTEERED
FOR THE SCOTTISH
GOVERNMENT'S
EXPERIENCE PANELS**

0.7%

**2016 NATIONAL FUNERAL COST INDEX RECORDED
A 0.7% FALL IN AVERAGE FUNERAL COSTS IN THE
UK FOR THE FIRST TIME IN MORE THAN 10 YEARS²⁵**



**1% OF ALL DEATHS IN
SCOTLAND RESULTED
IN A LOCAL ASSISTANCE
FUNERAL IN 2015²⁶**

We recognise that it is important to measure the effectiveness of our actions to reduce funeral poverty and help people to plan and save for their funeral.

At present, annual reports from Sun Life and Royal London, along with a Scotland-specific publication from Citizens Advice Scotland, provide the best sources of data to understand funeral costs and funeral poverty. However, there are a number of challenges in relation to collecting information and devising measures for this area.

When developing the new Scottish Funeral Expense Assistance (FEA) benefit, we will develop a system that allows the collation of robust, Scotland-specific management information on a range of areas. We will monitor and publish appropriate data on the FEA so that its impact can be evaluated. We will take a similar approach in terms of gathering information about the take-up and impact of the pilot Scottish funeral bond.

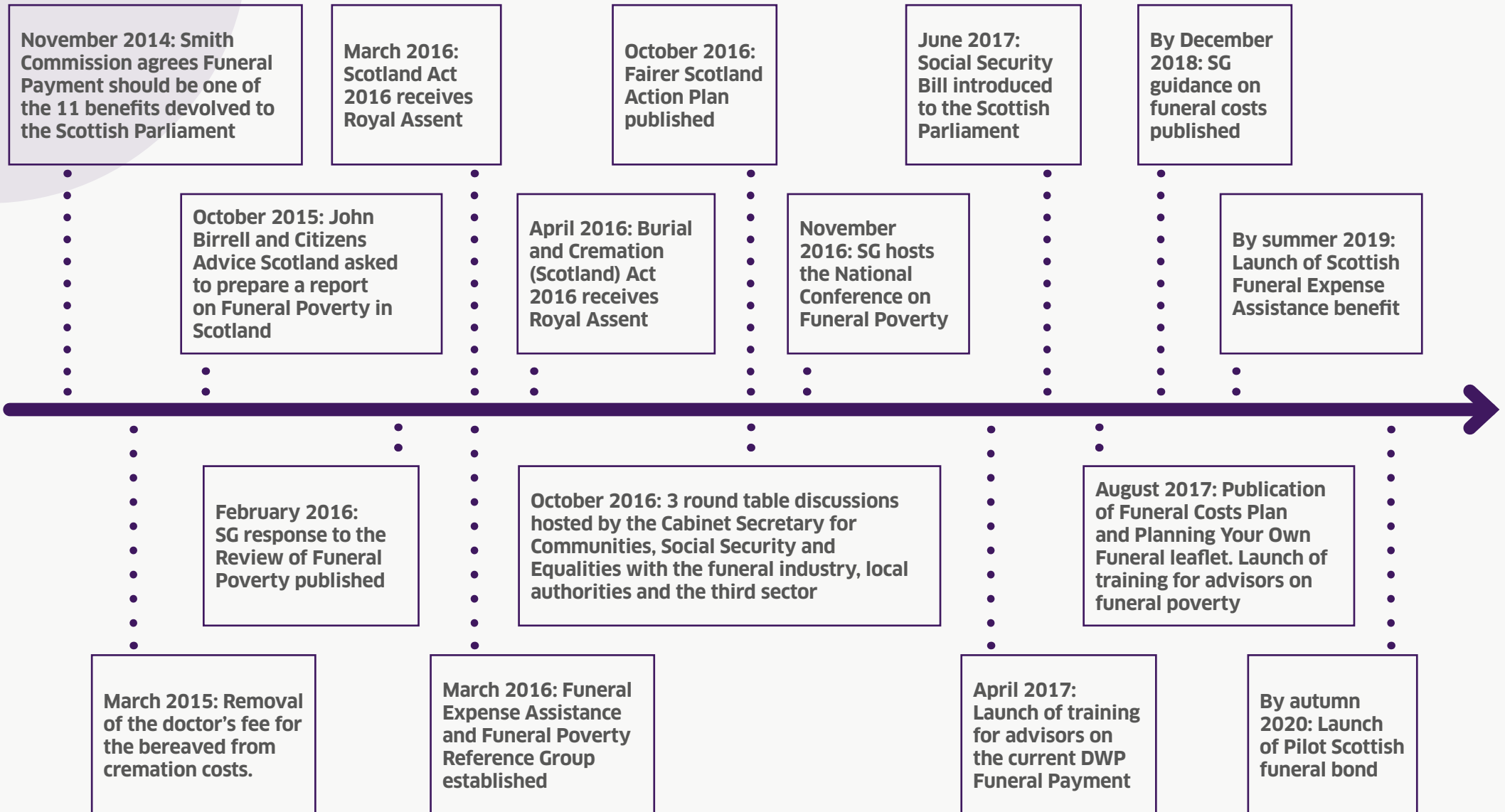
Additionally, we will explore issues related to funeral poverty and the current DWP Funeral Payment through our FEA Experience Panel. We will also consider whether the Experience Panels provide a sufficiently wide view of the Scottish population or whether it is necessary to supplement this in the longer term.

Discussions are also underway between COSLA, local authorities and the Scottish Government on whether it is possible to improve and standardise collection of data about Local Assistance Funerals to better understand trends and provision across the whole of Scotland.

²⁵ The Royal London National Funeral Cost Index Report 2016 www.iccm-uk.com/ICCM/LIBRARY/ROYAL%20LONDON%20NATIONAL%20FUNERAL%20COST%20INDEX%202016%20FINAL-1.PDF

²⁶ UNMARKED: National Assistance Funerals and the Consequences of Funeral Poverty www.cas.org.uk/publications/unmarked

Timeline of progress so far and next steps





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