



Report of the Cabinet Member for

Scrutiny Performance Panel – Service Improvement & Finance

10th July 2018

Fees and Charges – An Overview

Purpose:	<ul style="list-style-type: none">• To provide an overview of the range of services charged for by the Council.• To highlight the decision making processes used to set such fees and charges.
Content:	In addition to this report a number of associated attachments are included as Appendices.
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1. Background – Fees and charges

- 1.1 Fees and charges are applied to many of the wide range of services offered by the Council from room hire at our Council-owned venues to berthing fees at the Marina. Each of the Council's Service Areas sets fees and charges, for example, library hire fees are set by the Cultural Services area and fees relating to the hire of meeting rooms in the Civic Centre and Guildhall are set by the Corporate Property Service

area. The Council has adopted an Income Generation and Charging Policy which was approved by Cabinet on 11th March 2014.

This Policy applies to any service that the Council has a power and discretion to provide to the community, or has a statutory duty to provide, and has a discretion to set a charge. It also applies to internal charging. All services must comply with this Policy when setting and reviewing fees, charges and concessions.

- 1.2 This report has been compiled by the Commercial Services team on behalf of all Service Areas and is based upon the data provided by each Service. The format used to compile the data contained within this submission is as follows:

Service Areas were requested to list all fees and charges on the spreadsheet provided and note the methodology used to set each charge. Services were asked to identify any information that they considered commercially sensitive and such data is included on separate tabs in the Appendices. The full range of services charged for by the Council is included in the spreadsheet appendices (A, B and C).

- 1.3 Income generated by the Authority from fees and charges is governed by legislation, primarily the Local Government Act 2003 which provides the general power for Service Areas where there is no other legislative framework.
- 1.4 The Council has a separate charging regime for Social Services because that area is governed by the Social Services and Well-Being (Wales) Act 2014 / please see Appendix D.
- 1.5 It is important to note that the principles behind the Council's fees and charges, the list presented below in 1.6 and 1.7, is not an exhaustive one but helps to provides context for this paper.

1.6 From the Local Government Act 2003 –

- The income from charging for a service should not exceed the cost of providing that service.
- The recipient of the service must have agreed to its provision and agreed to pay for it.
- Charges may be set differentially, so that different people are charged different amounts.

1.7 As noted in the Charging Policy (Social Services):

Fairness - we will give individuals the right information about charging at the right time. We will provide clear explanations of how we charge and what we charge for.

Equality - we will treat all people with dignity and respect. Swansea is committed to eliminating all forms of discrimination on the grounds of age, gender, disability, marriage or civil partnership, race, religion, beliefs, or sexual orientation. We are working towards Welsh language standards and the active offer to carry out services in Welsh.

Transparency - we will give clear and simple information about charging. We will give clear information about financial assessment before and during the process. We will give clear explanations about how an individual contribution has been calculated. We will give clear information before and during a review.

Continuity - We have a corporate charging policy which seeks to recover the full cost of services where this is legally permitted and appropriate. We will charge for social care services in accordance with the national charging framework and maintain current charges where possible.

Sustainability - we will make full use of the range of universal services as well as preventative and early intervention services to meet a person's own well-being outcomes. We agree to a care and support plan that is appropriate and proportionate to meet the eligible assessed need for care and support within the resources we have available. We ensure that care and support plans are reviewed regularly, and within each year, to ensure appropriateness and effectiveness is achieved as well as value for money.

2. Comparison with other Local Authorities

2.1 Swansea Council's fees and charges list (Appendices A, B and C) contains many hundreds of lines of data for the products and services provided.

Due to the volume of fees and charges and the descriptors used gaining accurate comparative data from different organisations is difficult. An example of the difficulties is evident when considering room hire charges. These are difficult to compare across Councils as charges for venues differ dependant on a number of factors including room size, facilities, hourly rate charging or half day/full day charging.

2.2 Different product names are also evident across Councils. An example is leisure charges relating to Active Swansea; in other Local Authorities these services are branded differently and may contain services not

offered by Swansea Council and this complicates direct comparison.

- 2.3 Of note in this area is that the Welsh Government showed interest in mapping and comparing Local Authority fees and charges and commissioned the consultancy Deloitte to undertake this exercise in 2011/12; this work was not continued in subsequent years partly, it is understood, due to the complexity and cost of the exercise (a copy of the Deloitte analysis is available upon request - it was not included in this report due to the volume of data already provided). The Deloitte report showed that, at that time, Swansea was near the midpoint of local authorities in Wales in terms of the charges it applied to residents (£132 of income derived per resident per year versus £164 at the top end of the measured scale). The Welsh Local Government Association is reviewing the fees and charges area to see if it can add value and coordinate cross-Council comparison based on clear guidelines enabling true 'like-for-like' comparison and data analysis.

3. Legal issues / methodology for charging

- 3.1 The legal regime regarding the setting of fees and charges is somewhat complex with some fees subject to a statutory limitation, for example, the charge that the Council can apply for respite care services is set at a maximum of £80 per individual, per week and is subject to a financial assessment. Swansea Council's Social Services Charging Policy is governed by the Social Services & Wellbeing Act (Wales) 2014 and a copy of that policy is provided as Appendix D.
- 3.2 As noted above the core power relating to charging for services comes from the Local Government Act 2003 and the Act notes that income must not exceed cost of provision, but the full cost of provision can be charged.
- 3.3 It should also be noted that the legal regime regarding fees and charges is currently being reviewed; consultation was begun by the Welsh Government on a proposed new charging power – the 'General Power of Competence'; this has not yet been pursued although the WLGA have noted that it remains something that may be implemented in the near future. If enacted, this new legal base would give a Local Authority the power to do anything that individuals generally may do, but it does not enable a Local Authority to anything it is prevented from doing by another statute, e.g. the Social Services & Wellbeing Act (Wales) 2014 as mentioned above.

4. Legal Implications

- 4.1 The Council's Income Generation and Charging Policy provides clear guidance for service departments on deciding when and how to levy charges for services and the basis for calculation and review. The Council's Equality Impact Assessment process should be applied to every decision to introduce charges or to make significant variations to existing charges.

The power to levy charges derives from Section 93 Local Government Act 2003. Where possible service departments should set charges reflecting the full cost of the service ("Full Cost Recovery"), unless concessions have been agreed. The full cost of a service should include all expenditure required to deliver the service, including staffing, cost of materials, and overheads also relating to central council support functions directly applicable to that service.

Services with the ability to achieve or exceed full cost recovery on a consistent basis and to make a profit should be encouraged to operate more commercially in order to reduce dependence on revenue support. Section 95 of the 2003 Act allows a Local Authority to trade in discretionary services with the public and to make a profit. This has to be through the medium of a company.

In addition, the Local Authorities (Goods and Services) Act 1970 allows Local Authorities to provide services for other Local Authorities and to make a profit. This power should be used wherever possible.

5. Financial Implications

- 5.1 There are no specific financial implications arising directly from this report. Any specific future proposals for increases or changes to fees/charges will be reported via the relevant channels.

6 Opportunities to charge for other services

- 6.1 Swansea Council will consider all options and opportunities to increase revenue. This will help to support existing services and allow for the exploration of new commercial opportunities. The Council is, for example, seeking to maximise income from all its assets and is currently reviewing its policies with regard to expanding our advertising offer; our vehicle fleet is now capable of taking adverts and we are looking to further develop our roundabout and related portfolio of opportunities. In addition the Council has created new sponsorship opportunities such as the opportunity to sponsor the newly installed Ability Swing for wheelchair use in Victoria Park. This increased

commercial practice and awareness will play a key part in the Council's Corporate Plan of delivering a successful and sustainable Swansea.

- 6.2 The Council has introduced webpages – <https://www.swansea.gov.uk/business> - to promote our products and services and we are working to publish a new 'commercial brochure' shortly (paid for by corporate advertisers) to further market the Council's offer.

Contact: Sara Gibbons, Commercial Services

Date: 25th June 2018

Appendices:

- Appendix A – Corporate Services Directorate - Commercially Sensitive
- Appendix B – Corporate Services Directorate – Non Commercially Sensitive
- Appendix C - People Directorate - Commercially Sensitive
- Appendix D - People Directorate – Non Commercially Sensitive
- Appendix E - Place Directorate - Commercially Sensitive
- Appendix F - Place Directorate – Non Commercially Sensitive
- Appendix G - Social Services Charging Policy 2018