

Public Accounts Committee
PAC(5)-08-17 PTN2 – 6 March 2017

Additional information from Welsh Local Government Association following evidence session on 6 February 2017

Charging for Services and Generating Income

1. PAC Members asked for additional information on what is being done to generate income across authorities. The following note has been put together by our improvement officer working through professional networks and the good practice database.
2. The commercialisation of services and associated charges will continue to be increasingly important to local authorities as they seek to make services sustainable. This requires a balancing act between maximising income generated, public acceptability and meeting wider social aims.

Waste services: Charging for Garden Waste

Denbighshire

3. Since getting approval to introduce a charge in September 2014, Denbighshire had relatively short time period to introduce the service, key activities were:
 - Communicating with residents – introducing the new service available,
 - Setting up a suitable IT system including payment processing system,
 - Dealing with complaints and setting up suitable processes, and
 - Buy suitable barcode and scanners for the bins.
4. Achievements: 12,500 (30%) properties signed up to the new service initially, by the end of the year this went up to 17,000 (40%) properties. Customers could sign up online (with a discount) or face to face, over the

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phone and at One Stop Shops. Denbighshire worked closely with their IT department to ensure a fit for purpose system was in place. A purpose built Database allowed them to capture, address details, collection day, assisted collection info, as well as other collection history. Every bin is issued with a barcode sticker and this is linked to the customer database. The database is also linked to a 'Trackyou' software system that has in-cab technology allowing the crew to monitor and record customer details in real-time. Helping Denbighshire offer their residents a top quality service.

5. Denbighshire's received £409,374 in income in 2015/16 which was just over their target saving of 400k. The net cost of the service is £265,080.

Monmouthshire

6. The authority had a well-established charged garden waste collection service from July 2013. Having an initial charge of £8 per collection of a 90litres hessian reusable sack, by 2016/17 the charge has increased to £14 per sack.
7. Achievements: Residents are issued with a free sack and must pay for the permit that is tagged on to the sack. Monmouthshire reinforced the importance of having an IT system that was fit for purpose. The number of residents signing up to the charged service has increased year on year in Monmouthshire, with households that tend to have larger gardens purchasing an increased number of bags.
8. In 2014/15 Monmouthshire were generating £229k in income.

Next steps

9. A range of legislation is in place, enabling LAs to charge, however there are certain restrictions on the level of acceptable charging. LAs are required to have a clear rationale behind the set charge. LAs must also consider whether charges can be used to generate a surplus to support

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general revenue budgets or whether they can only recover incurred costs in delivering the service. LAs require clear advice and guidance on what can and cannot be done. The WLGA is commissioning bespoke guidance.

Energy

Wrexham – these projects are fairly unique in Wales.

Domestic Solar Photovoltaic (PV) Project

10. In late 2011 – early 2012 the council installed solar panels on 2675 of their domestic properties. All the properties have between 7 and 16 panels installed. Up until December 2016 they have received £6.9 million in Feed in Tariff payments.

Schools PV

11. In 2013 they installed solar panels on 15 of their schools and 2 in office buildings. All schools have between a 9–10 kw system installed. Between Oct 2013 and December 2016 the council received around £104,000 for these installations.

Solar Farm

12. The Legacy Solar Farm is a 2.64 MW system and has a total of 8,800 panels. It has been generating since May 2015. Up until October the council received £229,000 in Feed in Tariff payments and £172,000 in Export payments.

Redwither Biomass

13. In 2015 the council fitted Biomass boiler in one of our large office buildings. Up until 3rd November 2016 they have received £34,877 in Renewal Heat Incentive payments.

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Culture, Leisure Services and other services:

14. The income generation debate can be seen as two-fold when it comes to the culture and leisure services portfolio.
15. Firstly, LAs have sought to save money through the external delivery of mostly leisure (and some culture) services, mainly leading to the establishment of new charitable trusts. The driving force behind these decisions has been the NNDR rate relief charitable trusts receive from the government, in turn allowing the authorities/providers to save money and reinvest in services.
16. Secondly, LAs have also sought to become more commercially focused in delivering leisure and cultural services; approaches have included the co-location of services (libraries and leisure under one roof), along with the introduction of other money-making ventures such as coffee and leisurewear shops in local leisure centres, the rental of rooms and facilities for meetings/conferences, etc. Leisure services also have the added benefit of charging entry for the use of some services, such as access to the pool and gym facilities.
17. Current state of play across 22 local authorities:
 - 11 Councils outsourced the running of leisure centres,
 - 5 councils are considering ADMs (Ceredigion, Gwynedd, Monmouthshire, Pembrokeshire Swansea) and
 - 6 councils have currently retained control of their leisure services: (Anglesey & Carmarthenshire, Caerphilly Conwy, Denbighshire, and RCT)

Flintshire leisure and library services

18. Flintshire's leisure and library employees voted 90% yes to the proposals to set up a Community Benefit Society to deliver leisure and library services from 1 July 2017. This is a first for Wales and one of only a

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handful of organisations to run services such as these in the whole of the UK.

19. The business plan shows that in the first full year, over £500,000 of savings can be made to the service operation while Flintshire County Council is making a capital investment of almost £1m to improve leisure and library buildings, play areas and artificial pitches in the county.
20. The overall model aims to provide savings of 10% year on year while maintaining and improving existing service levels and protecting jobs. Staff will be represented on the Board of the organisation.

Cardiff Council

21. Cardiff Council handed over eight leisure centres to GLL, a not for profit company which runs 300 facilities across the UK. It is envisaged that this new arrangement would save £31.9m over 15 years, while providing greater future certainty over the leisure provision in Cardiff.

Swansea's Commercialisation Strategy

22. The authority is an example where a corporate strategy is being implemented for commercialism across the council.
 - To protect the public purse and achieve value for money for residents
 - To foster a business like, efficient and innovative approach to service delivery
 - To exploit every opportunity to increase income to offset the loss of grant
 - To protect service delivery
23. Examples of securing sponsorship/advertising income: Waterfront Winterland Ice Rink (sponsorship); 10K road race (sponsorship); roundabouts (advertising); Lamp posts / pillar raps (advertising); Swansea

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Bus Station (advertising); Awards nights; (sponsorship); Christmas Parade (sponsorship); and, the Wales Air Show (sponsorship)