

## Interpreting and Translation

Date: 25 June 2024

Report of: Advice and Access Manager

Report to: Chief Officer Hubs, Welfare & Business Support

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

This brief is to provide the Chief Officer – Communities, Housing & Environments with the necessary information to recommend approval of a new proposed pricing structure for client recharges to access the Council interpreting and translation services.

The review of charging arrangements has been undertaken in the context of the financial challenge but having regard to the needs of service users, and provision across the sector as a whole.

A revised pricing structure was previously agreed and implemented on 1 December 2023. This included a supplier payment increase of 10%, Leeds City Council internal recharge increases of 15% and external recharges of 20%. We received feedback from an external third party organisation and the decision was partially paused and reverted to the previous prices for internal and external recharges. The supplier payments remained at the approved increased pay rate.

Following the feedback received, further consideration has been given with regard to EDI considerations and specifically the impact that may arise by carrying out a client consultation and potentially proposing a new pricing structure for third sector organisations to reduce the impact of those organisations being able to access interpreting services. Those third sector organisations that work with the protected characteristics including age, carers, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation may have a tiered pricing rate.

The proposal seeks to look at the impact of the price review and possible impacts which may arise to all clients including third sector organisations. The report also looks at revisions to the payment structure in order it properly align with income generation for the council. It is concluded that the modest price increase is proportionate.

## **Recommendations**

- a) The Chief Officer approves the decision to implement a revised pricing structure of 15% increase to Leeds City Council and 20% increase to all external clients.

### **What is this report about?**

- 1 The report seeks Chief Officer approval to implement a revised pricing structure of 15% increase for Leeds City Council and 20% increase to all external clients.
- 2 The client recharge rates have not been increased since 1 September 2018 therefore, the proposal is to increase the rates to bring up to date with the market. Since the previous increase we have seen rising fixed costs of delivering the service
- 3 Note - The Supplier payments were increased by 10% from 1 December 2023. This was implemented to ensure we are providing a fair and reasonable living wage for the contractors.

### **What impact will this proposal have?**

- 4 Positive impacts would be:
  - a) If a tiered pricing structure was introduced and a discounted rate was offered to third sector organisations, it would reduce the impact of third sector organisations being able to access interpreting services.
- 5 Negative impacts and risk would be:
  - a) If a discounted pricing structure is implemented to third sector organisations, there could be a challenge from private organisations stating they also work with protected characteristics and that they should also be offered a discounted rate.
  - b) If a discounted rate is not offered to third sector organisations, it may impact them financially where they may not be able to access the interpreting service as often as they would like to or may need to look at other ways to communicate with their customers.
  - c) If a tiered pricing structure is implemented the Council would not be covering all of its fixed overhead costs associated in delivering the service. The impact of this would be compounded as we have committed to increased costs with the 10% increase in payments already implemented to suppliers. Equally the fixed costs of delivering the service have increased year on year with annual wage inflation despite no increase in income levels.

## 6 Proposed Price Increases - Income Impact Leeds City Council

A summary at Table 1 shows the costs charged to Leeds City Council Directorates for interpreting services used between 1 April 2023 – 31 March 2024, what the costs would have been if a 15% increase was implemented and the difference.

Table 1	Costs recharged 2023-24	Costs including 15% increase	Difference in charges
Adults & Health	£20,289.52	£23,332.95	£3,043.43
Children & Families	£259,829.52	£298,803.95	£38,974.43
City Development	£1,986.83	£2,284.85	£298.02
Civic Enterprise	£751.23	£863.91	£112.68
Communities, Housing & Environment	£110,543.26	£127,124.75	£16,571.49
Resources & Housing	£46,499.11	£53,473.98	£6,824.00
Schools	£10,078.14	£11,589.86	£1,511.72

The costs are minimal and therefore, would not have a major impact on the services and therefore, we will implement a 15% price increase to Leeds City Council.

### External Organisations

Table 2 shows the costs charged to external client organisations in total for interpreting services used between 1 April 2023 – 31 March 2024, what the costs would have been if a 20% increase was implemented and the difference.

Table 2	Costs recharged 2023-24	Costs including 20% increase	Difference in charges
External - private organisations	£28,136.34	£33,763.61	£5,627.27
External - third sector organisations	£49,335.62	£59,202.74	£9,867.12
External – other	£411,353.76	£493,624.51	£82,270.75

The costs are minimal and therefore, would not have a major impact on the services other than External – other which would be a significant increase.

However, when taking into account salary costs, central overheads and increased supplier costs the service is currently costing LCC to provide it. Given the current economic climate this is not a sustainable model and therefore the price increases are required to ensure that the service is breakeven for the Council. In proposing implementation of this price increase we have also been mindful that we still represent very good value for money when compared to competitor services.

We will therefore implement a price increase of 20% for all external organisations to take into account the lapse in time since a price review and the Council increased overhead and operational costs in recent years.

- See Appendix 1 for a comparison of external agency rates at the present time and you will see with the proposed 20% increase to external organisations, Leeds City Council would still be competitive with other external agency rates

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

10. The proposal supports the Best City Ambition's mission to tackle poverty and inequality and improve quality of life for everyone. It will ensure the suppliers working with our service will be properly reimbursed for the work undertaken for Leeds City Council. This helps in the longer run in terms of retaining the service and ensuring that there is resilience without the need to seeking alternative interpreters.

11. We also want to ensure a crucial service is maintained by Leeds City Council and offered to citizens of Leeds who are in need of an interpreting and translation service including Council departments.

12. Interpreting & Translation services assist in ensuring that user groups including those who are vulnerable adults/children can continue to access the public service they need on a value for money basis.

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

## Summary of consultation results

The client consultation was undertaken to see what impact a price increase would have on client organisations.

### Leeds City Council client survey summary results:

According to the document the key themes are:

- Importance of the translation service: Many respondents emphasized the importance and necessity of the interpreting and translation service for their work and for supporting vulnerable individuals and families.
- Concerns about the cost: Many respondents expressed concerns about the cost of the service and the impact of the proposed increase on their budgets and ability to support families.
- Fairness of the pay increase: Several respondents commented on the fairness of the proposed pay increase for the interpreters, with some suggesting that it was reasonable and others questioning the amount.
- Negotiation and central funding: A few respondents suggested that the suppliers should negotiate with the local authority or that the increase should be funded centrally.
- Comparison with other providers: A few respondents mentioned the cost of the service in comparison to other providers.

### External clients survey summary results:

According to the document: The key themes that emerge from the responses to the survey about an increase in charges for an interpreting and translation service are:

- Financial constraints: Many respondents mention the financial constraints they are facing and the impact that an increase in charges would have on their budgets.
- Impact on service delivery: Respondents express concern about the impact that an increase in charges would have on their ability to deliver services, particularly to vulnerable populations.
- Fairness of pay for interpreters: Some respondents mention the need for interpreters to be paid fairly for their work.
- Need for cost allowances for third sector organizations: Several respondents suggest that cost allowances should be made for third sector organizations that are commissioned by the council.

### **What are the resource implications?**

13. There are increases in cost in relation to services we procure to deliver translation work and in addition we have fixed costs and central overheads associated with managing the service. This price increase is required to ensure that we can continue to provide the service to all clients whilst at the same time covering costs to ensure that it is not a drain on overall LCC resources.

### **What are the key risks and how are they being managed?**

14. There is a risk that external clients may seek to source services from an alternative interpreting agency however, it is considered, on balance Leeds City Council, Interpreting and Translation Service are still competitive when benchmarked against other service providers/agencies.

## **Options, timescales and measuring success**

### **What other options were considered?**

15. We have considered giving a discounted rate to third sector organisations however, this could result in private sector organisations asking for a discounted rate as they could also work with the protected characteristic groups. Looking at the costs organisations and services used in 2023-24, the impact is small if we were to implement a 20% increase and is considered reasonable and proportionate for the service that is being delivered. The 20% increase is required to ensure that the service does not cost the council money to operate it.

### **How will success be measured?**

16. The success will be measured by the maintenance of suppliers on our register and continued use of services by all clients.

### **What is the timetable and who will be responsible for implementation?**

17. Implementation will be as soon as the Governance requirements have been complied by the decision maker.

### **Appendices**

- EDCI
- Appendix 1 – Comparison of rates

### **Background papers**

- None

Appendix 1 - Comparison of external agency rates

	Leeds City Council External charge incl 20% increase	The Big Word	Translation7 Ltd	Language is Everything	DA Languages	Stoke Council	Bristol Council	Coventry Council
Community Face to Face	£36.00 ph	£49.50 ph + travel	£40.00 + travel	£65.00 ph	£41.00 ph	£30.00 ph + Travel time £15.00 ph + Mileage £0.70 pm	£0.75 per minute  Minimum of £45.00 Travel expenses Mileage - £0.45 per mile Travel time - £0.17 per minute	£37.00 ph + VAT
Community Telephone	£23.40	£65.00 set up then £0.80 pm	£30.00/40.00 ph	0.98 pm	£0.70 pm	£30.00 ph If booked less than 5 working days, £60.00 ph	First 5 minutes £2.00 per minute 6+ minutes £1.00 per minute  Minimum £20.00	£21.00 up to 30 minutes then £0.70 per minute
Community Online	£36.00	£49.50	£30.00/40.00 ph	NA	£0.99 pm	NA	First 5 minutes £2.00 per minute 6+ minutes £1.00 per minute  Minimum £20.00	£21.00 up to 30 minutes then £0.70 per minute
Translation	£25.20 per 100 words	NA	NA	£0.16 pw	£0.15 pw	£22.00 ph (min charge £40.00)	Frist 150 words - £0.25 pw 151+ words - £0.19 pw  Minimum £38.00	Minimum charge £20.00 up to 150 words. Subsequent 75 words are charged at £10.00