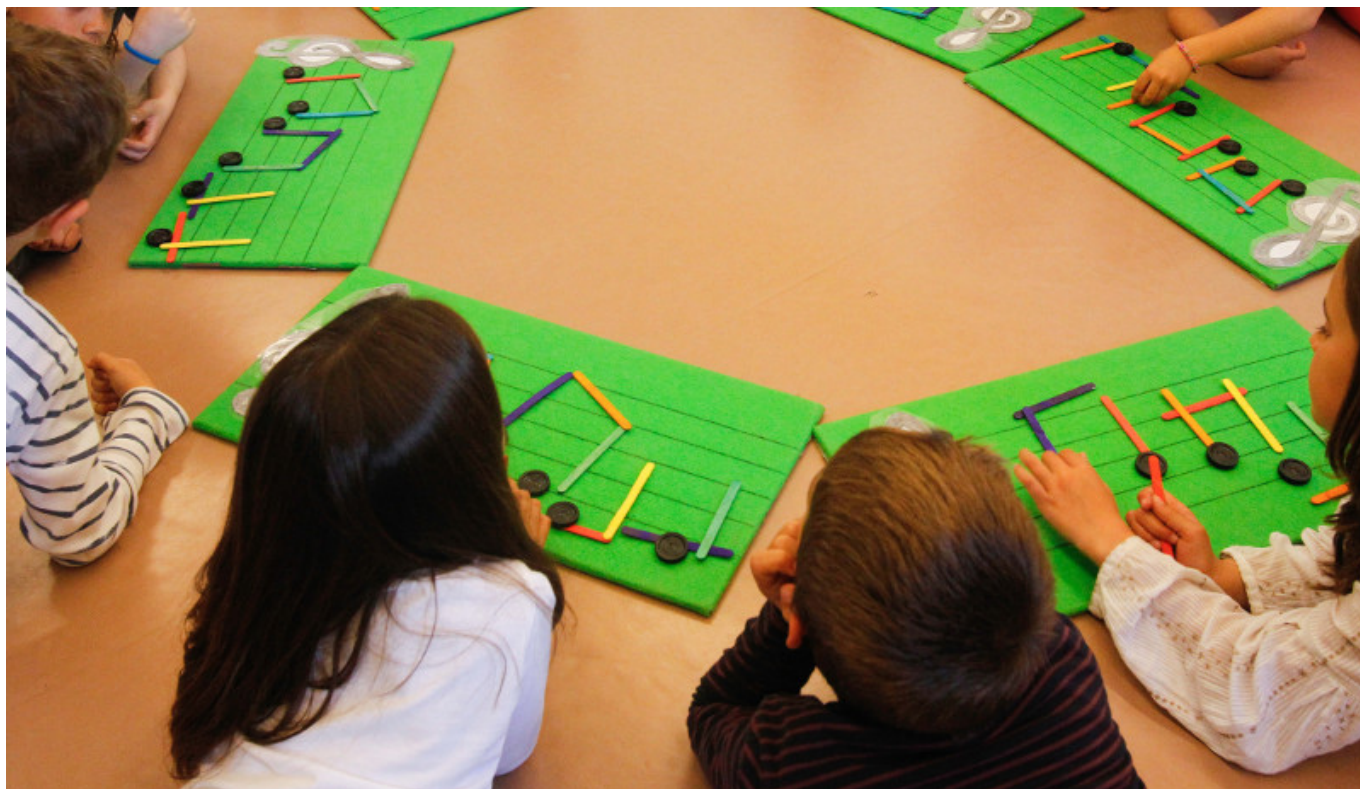


# Social pricing, a local initiative to foster equality of opportunities



STARTING YEAR

2010

CITY

Sant Feliu de Llobregat

NUMBER OF INHABITANTS

43,654

COUNTRY

Spain

ORIGINAL TITLE

La tarifació social, una iniciativa local per a la igualtat d'oportunitats

TOPICS

EQUALITY & SOCIAL INCLUSION, Social inclusion, Social justice, Social program, Equal opportunities, HUMAN RIGHTS, CIVICS & COEXISTENCE, Human rights

AGE GROUPS

All  
ages

MOTIVATION AND SUMMARY



In 2010 the City Council of Sant Feliu de Llobregat commissioned a study of users of municipal facilities to determine the degree to which the goals of the facilities were being met. The study showed that universal access to these facilities had not been achieved: the participation of low and middle income families was a lot lower than what should have corresponded to their demographic weight in the city. The conclusion was reached that municipal services were only accessible to those with greater earning power because price acted as a barrier to those with fewer economical resources.

In order to correct this situation and guarantee equality of access to municipal services, the City Council decided to apply a new public pricing policy that bore in mind family incomes, and, thus, it instituted **social pricing**. This is a calculation model that replaces the single price with a table of variable prices, calculated on the basis of family income and the number of members in each family of users. Social pricing allows for a redistributive policy by applying more equitable prices. It is a system that directly integrates discounts into the price without the user having to apply for aid from social services, so that the price that the user pays for the service is calculated automatically on the basis of family income.

At this time, in Sant Feliu de Llobregat, social pricing is being applied to day-care centres, including the lunch service, music schools and in home care and aid services, and home telephone assistance for elderly.

## OBJECTIVES



- To facilitate access of citizens to municipal services and facilities by guaranteeing equality of opportunities and by adapting public prices to the economic resources of each family.
- To improve equality and efficiency in public pricing.
- To foster the sustainability of municipal services.

## METHODOLOGY



The users can apply for social pricing when they request services by authorizing the City Council to check their tax records.

The price applied to the applicant depends on family income. Different categories are defined based on tranches of equivalent income, which is adjusted by monetary income taking into account the total number of family members and including it in the calculation, i.e., basic *per capita income* for each family. And then prices are set for each of these categories. The price is lower for lower incomes, and, accordingly, a form of progressive reverse taxation is applied.

During the year, the users, in the event of a substantial variation in income, can ask for a modification of their fees by providing the pertinent documentation.

A committee has been set up to evaluate unique cases, i.e., those situations in which the family wishes to show that their economic situation has changed, a situation which is still not included in the case types set forth in the application for a revision of fees.

## SPECIFIC SOCIAL AND URBAN CONTEXT



The Catalan city Sant Feliu de Llobregat, with more than 40,000 inhabitants, is the capital of the county and occupies a surface area of 11.81 km<sup>2</sup>. It borders the city of Barcelona.

The city's economy is based on industry and the service sector. Because of its economic development, its transport links and proximity to Barcelona, Sant Feliu went through a major increase in population at the end of the 20<sup>th</sup> century, which has been consolidated.

Gross disposable family income per resident, according to the Statistics Institute of Catalonia in 2013, totalled Euros 17,500, which is markedly higher than the average for the county and slightly lower than the Catalan average. The generalized trend in the last few years has been one of economic decline, with a steady decrease in the number of companies and employment rates. At this time we see certain indications of a slow economic recovery.

## IMPACT AND EVALUATION

Social pricing began in practice in 2012 for telephone assistance for the elderly services and home care; through this reduction in price the number of users grew by 50%.

Social pricing was applied in the 2013-2014 school year in day-care centres. Approximately 40% of families paid the same fees that they paid before the new pricing policy, while 60% paid less. In spite of the decrease in the birth rate, by favouring access of people with lower incomes, there was an increase in the number of children registered. At this time 60% more children are using the lunch service than two years ago.



During the 2014-2015 school year social pricing was applied to the Municipal Music School and the number of students has almost doubled.

The City Council wishes to extend social pricing to all public municipal services that have a public

price, except one-off tickets to shows or activities. By revising and improving the technical and economic criteria that are necessary, we want to apply social pricing to all municipal sport facilities and services, and to workshops, activities, courses, etc., that take place in civic and cultural facilities addressed to the elderly or young people.

#### **Strengths:**

- Contributes to transparency and automation.
- Fosters the reduction of social conflicts since it contributes to the equality of access to municipal public services.
- Puts an end to the culture of subsidies and eliminates the problem of the social stigma related to them.
- Increases the demand for services, especially from people with low and medium incomes.
- Eliminates the problems of the exclusion of families, who, in spite of having low income, were unable to access the subsidy system.

#### **Weaknesses:**

To make this pricing model sustainable, we have to precisely quantify the price of the services. If the City Council does not increase the price established before application of social pricing, it has to fully bear the cost related to the tax relief since it will take in less income.

## ORGANIZATION

[Ajuntament de Sant Feliu de Llobregat](#) (Sant Feliu de Llobregat City Council)

<https://www.santfeliu.cat/go.faces?xmid=1>