




TRANSFORMATION NEWS

We have re-shaped, we've changed; now we transform.

Transformation Event 

4 October 2019

INCOME GENERATION, FEES AND CHARGES



FOCUS ON OUR PRIORITIES

We brought together a wide range of staff, partners, stakeholders, customers, service users and young people to look at ways that we could maximise our income and underpinning fairness through targeted concessions to potentially generate a significant level of income that helps sustain our services. This involved looking at current charges and how cost effective they are, the concessions we provide and whether these are sustainable. We also considered new sources of income that could be introduced going forward, as well as looking at innovative and creative charging approaches.

The main objective of the event was to bring people together to identify opportunities for income generation, fees and charges.

The event focussed on opportunities to review current income streams and to identify opportunities to generate additional income in 2020/21 by maximising current income streams, extending membership schemes, introducing new and enhanced models of service delivery, consistent application of concessions and re-alignment of budgets related to high performing service delivery.

The event also promoted innovative and creative thinking in order to identify new income generation opportunities aligned with the Councils priorities and commitments which would support behavioural change.

Key Event Questions

The key big issues that we were keen to get input and ideas from people on were:

- How do we increase our level of income that will help sustain services?
- How do we strike a balance in addressing the financial needs of the Council through maximising income and the social needs of our communities?
- How do we encourage an innovative approach to charging for services driven, where possible, by a high volume / low price point approach?
- How do we balance charges with customer demand and maximising income generation?
- How do we ensure appropriateness of existing charges?
- What opportunities do we have to introduce new charges where cost-effective to do so and consistent with wider policy objectives?
- Where can we introduce new charges?
- What can we stop charging for?
- What new or increased charges would support behavioural change aligned with Council Policy?

SOME KEY FACTS

Council Budget 18/19 **£358.3**million

The Council had an income target of **£18**million in 18/19. This was raised through fees and charging for some services – this is more than the total council spend in relation to pre-school education (**£12.1**m) and leisure and sport facilities (**£3.7**m)

For every £ of anticipated income that is not realised that is a £ less to spend on council services

Income generated by demand led activities such as burials, registration and leisure can fluctuate throughout the year due to a number of variables i.e. demand for weddings

Concession rates in Dumfries and Galloway are often calculated at around **50%** of the full price and are targeted at those in receipt of Universal Credit (or equivalent legacy benefits i.e. jobseekers allowance, income support, employment support allowance, tax credits or housing benefit, or pension credit)

With the exception of two income streams (casket interment – non-resident and standard adult cinema ticket), Dumfries and Galloway Council fees and charges are all below the national benchmark highest.

More than half of Dumfries and Galloway Council fees and charges are below the national average.

The top 3 activities by highest level of income:

- | | | |
|----|-------------------------------------|---------------|
| 1. | Leisure facilities admissions | £2.6 m |
| 2. | Planning Application Fees | £1.1 m |
| 3. | Birth, Death, Marriage Registration | £1 m |

KEY MESSAGES from the workshops at the event

The things that we can do quickly:

- Advertising – new waste vehicles / Digital / web / pool car advertising / projection onto buildings
- Gretna wedding live streaming service
- Review leisure charging – enhance and develop recent success (low price / high volume)
- Introduce premier pricing and promote co-delivery / stop doing things that private sector do or Third sector do... consider free access for young people
- Review and increase harbour charges
- Introduce charges for professional services (fast track e.g. planning apps)
- Music instruction
- Burial grounds – currently subsidising by 30% (Stirling model – support to vulnerable customers)
- Stop DGC caravan site provision
- Maximise income opportunity from charging for services / keeping communities' safe model
- Review school let (full cost recovery) – marketing strategy 'sweat the asset' (wrap around care?) (hire of technical facilities)
- Enhancement and development of co-delivery models across the council
- Maximise charging assigned with private water supplies / animal certification
- Dog bags
- Stop garden maintenance scheme or enhance garden maintenance scheme (commercial)
- Free access for young people to activities in the region for volunteering
- Targeted activities / coaching for young people – happy to pay for specific provision (e.g. H&S training)
- Review blue badge scheme – administration charge (not IJB)
- Village hall – flexible charging
- Review care call – basic / enhanced package and maintenance charges

The top 10 activities by highest level of income

Leisure facilities admissions	£2.6m
Planning Application Fees	£1.1m
Birth, Death, Marriage Registratioan	£1m
Building Warrants	£900k
Interments	£878k
Gambling and Liquor License	£254k
Rental Income from Industrial Units	£245k
Mooring boats and landing dues for boats	£220k
Burial Lairs	£192k
Cultural Admissions	£162k



Council Budget 18/19
£358.3 million

Other opportunities to transform and increase income generation:

- Car parking (some areas require parking controls): climate change agenda – town centre congestion / pollution (Buccleuch St) – city trees initiative (behavioural change)
- Tourism Tax: new idea – offset by Galloway Rover concession
- Old Beatz: new idea – delivered by young people
- Council tax: “plus”... added value
- Charging policy with NHS: reintroduce charging where current ‘preventative spend’ is not perceived to work
- Concessions: are the current people receiving concessions? Single financial assessment (A more economic way of means testing concessions) – no single % across council
- Application of commercial concessions needs review – consideration of young people living alone – school meals
- School meals: new nutrition bill, rebranding schools as community assets delivering wider services – catering
- Internal recharges – can we stop / change the model? Stop – early intervention resulting in savings
- Co-delivery with young people – community / commercial leisure – use of empty buildings / trampoline or escape rooms
- Staff incentivising – private / commercial services (personal training)
- SDS – personal assistant payroll – can we bring this inhouse?
- Pay it forward – volunteer
- Do we simply stop delivering services?
- Review of windfarm policy – income streams / aligned with participatory budgeting approach

Benchmarking

With the exception of two income streams (casket interment – non-resident and standard adult cinema ticket), Dumfries and Galloway are below the national benchmark highest. Dumfries and Galloway are below the national average in over half of cases. For example –

Activity	D&G Current Price	Benchmark National Average	Benchmark National Highest
Lair Purchase	£467.00	£755.30	£1,304.00
Saturday registration ceremony (registration office)	£107.00	£151.00	£235.00

£18 million
was the councils income target in 18/19

This was raised through fees and charging for some services – this is equivalent to the total council spend in relation to pre-school education (£12.1m) and leisure and sport facilities (£3.7m)

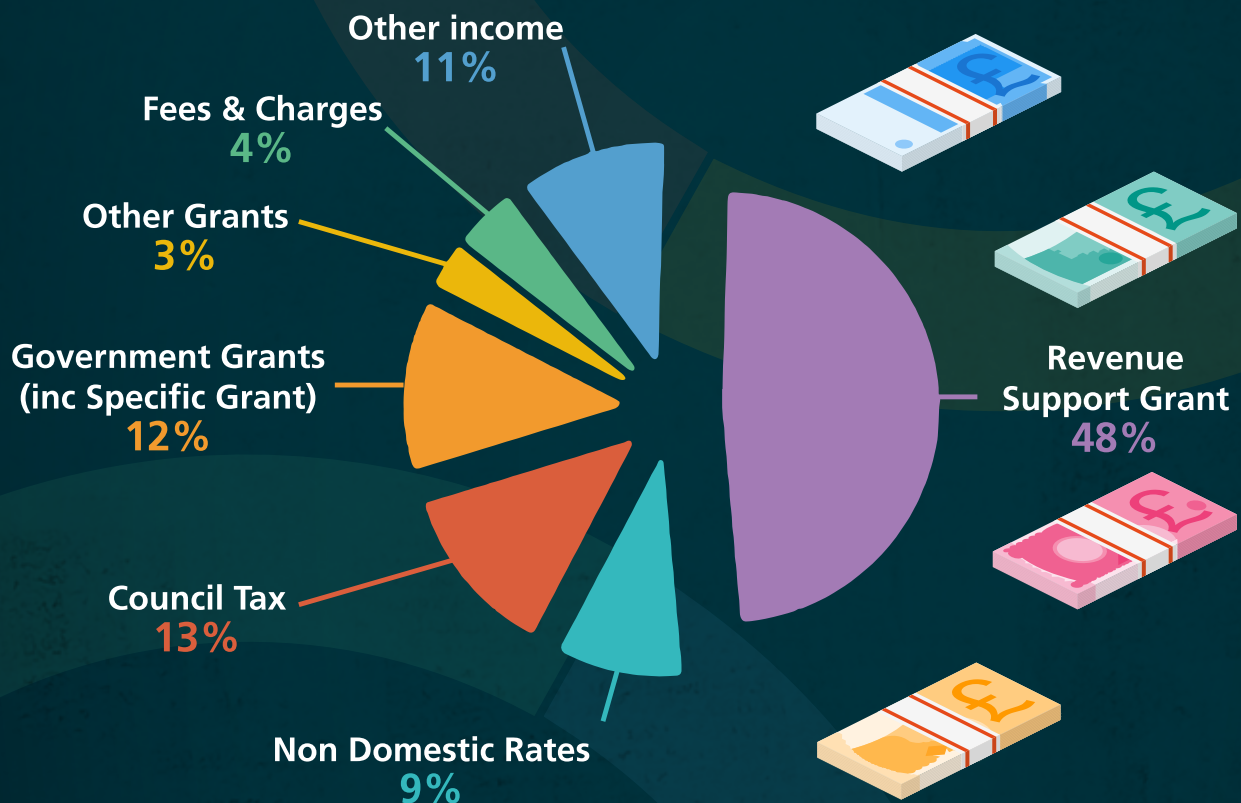
The difference this will make:

- Three year and beyond income stream
- Climate change agenda / sustainability / reduce carbon footprint
- Promotion of health and wellbeing agenda
- Securing additional income and delivering council priorities

The key challenges we face / enablers:

- Duplication of activities with private sector – balance income generation v reduction in workforce and an agenda which focuses on core service delivery
- No return of a commercial operation
- Possible council policy changes?

How the money is generated as a % of total income



What's Next?

The discussions and ideas from this working session will be used to inform future income generation, fees and charges arrangements. As with all other Transformation Events, this information will be used to develop options which will be presented to Members during October-December.

All outputs from Transformation Events will be shared with the public as part of budget consultation later this year.



FOCUS ON OUR
PRIORITIES



CUSTOMER
AND DIGITAL



MODERNISATION



FEWER ASSETS



SMALLER SKILLED
WORKFORCE



INCOME
GENERATION