

FOR PUBLICATION

ENVIRONMENTAL HEALTH FEES AND CHARGES 2015/16 (E000)

MEETING: 1. CABINET
2. EXECUTIVE MEMBER ENVIRONMENT

DATE: 1. 10th March 2015
2. 2nd March 2015

REPORT BY: Environmental Health Manager

WARD: ALL

COMMUNITY ASSEMBLY: ALL

KEY DECISION 448

REFERENCE

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: Preliminary Equalities Impact Assessment

1.0 PURPOSE OF REPORT

1.1 To ask Members to approve the fees and charges proposed for 2015/16, as outlined in Appendix A; that relate to various environmental health functions.

2.0 RECOMMENDATIONS

2.1 That Members approve the proposed fees and charges, including concessionary rates where applicable, as detailed in Appendix A, with effect from 1st April 2015.

2.2 That the Environmental Health Manager has discretion to offer reduced charges for micro-chipping at promotional events and campaigns in the lead up to mandatory chipping in 2016.

2.3 That an interim review of the fees for rats and mice be undertaken in July 2015 having regard to the out-turn for 2015/16.

3.0 BACKGROUND

3.1 In accordance with the Council's Financial Regulations, it is necessary for all fees and charges to be reviewed annually.

3.2 General principles that govern the Council's approach to charging include:

- (a) To make a charge wherever non-statutory services benefit an identifiable group as opposed to the entire community.
- (b) Fees and charges should aim to recover at least the full cost of the service except where:
 - i. there is an opportunity to maximise income; or
 - ii. Members determine a reduction or subsidy should be made, for a specific reason.
- (c) That where charges are reduced from full cost the reason for that reduction is reviewed periodically (at least annually) to ensure it remains valid.
- (d) People on low income and/or suffering disadvantage through poverty or social exclusion may be charged less to ensure equal access.

3.3 In preparing this report we have had regard to the guidelines for 2015/16 that fees and charges should be raised by at least 3%.

4.0 SCOPE OF REVIEW

4.1 The services for which fees and charges are reviewed in this report are as follows:

- Pest Control – provision of advice and treatment at domestic and commercial premises
- Dog Control – seizure and kennelling of stray dogs and micro-chipping
- Fixed penalty levels for environmental crimes – where permitted the level of penalty to be offered in lieu of prosecution for the offence.

5.0 OUTLINE OF SERVICES

5.1 Pest Control

5.1.1 There is no statutory duty upon the Council to provide a pest control treatment service. However, the Council has a duty to keep the borough free from rats and mice, principally on its own land. It also means we may use enforcement powers, provide advice and offer treatment services for the control of vermin.. We presently apply a 50% reduction for persons in receipt of benefits. Pest control fees are subject to VAT. Fees across Derbyshire are shown in Appendix B.

5.1.2 Forecasted income for wasp treatments is highly dependent on the weather as well as market forces. Over the past four years service volumes have fluctuated between 200 and 600 per annum. A conservative forecast is used.

5.1.3 In April 2014 we introduced a charge for treatment of pests posing a significant public health risk, namely rats, mice and cockroaches. We had assumed an overall 50% drop-off for the income forecast based on other authorities' experiences. A comparison of the first nine months (April-December 2014) with the mean average for the previous three years has shown that there has been a 60% reduction in service requests for rats and 50% for mice. Half of the recent customers for mice claimed the concessionary rate, which is much higher than previously (typically 20%). This could be an indication that the "full price" charges are deterring proportionately more customers and as such any increase in the standard fee will be sensitive to customer choice.

5.1.4 As we have not yet had a full twelve months with the charges for vermin treatment we recommend that the 50% reduction for persons in receipt of benefits is retained for treatments and there is no change to the vermin treatment fees. Pest control fees for domestic customers are quoted including VAT and rounded to amounts that facilitate cash handling. We offer free telephone advice for all pests however we are often asked to visit properties to give on-site advice. We have seen a 4,600% increase in request for call-backs. The officer has on occasion received 15 in one day; assuming 20 minutes per phone call; this will mean five hours at his desk. Some customers still want a site visit for additional advice or reassurance even though we cannot treat. Under delegate authority, we have been charging £20 for such calls in recent months and the service is well received (satisfaction levels with pest

control remain at 100%). We propose adding this service to the schedule of fees and charges, set at £30, with a £20 minimum charge applying for those on income related benefits. It is proposed that we continue to offer a fixed price treatment for wasps for non-domestic clients (accessible without the use of ladders); unchanged at £50 plus VAT. All of the proposed charges are outlined in Appendix A.

5.1.5 It is estimated that the income for 2015-16 will be £19,000 with a further £4,000 from commercial work. The service costs about £46,000 per annum including all support costs. As such the treatment of rats at a domestic property typically costs between £45 and £65. With VAT, full cost-recovery would mean a charge of £54 to £78, with an agreed subsidy for concessions.

5.1.6 The proposals mean that the service recovers just over half of its full costs. Given fees are offered with a 50% reduction for those on benefits coupled with competition there is limited scope to reduce the current loss without changing the subsidy. We propose reviewing this in four months time, when we can analyse the full year effect of the new charges. We will also be seeking additional commercial contracts and recovering all costs from Housing Services associated with investigations and treatments in the housing property portfolio.

5.2 **Dog Control**

5.2.1 The Council may receive occasional requests from other authorities, such as the Police and Social Services, as well as Housing Services, to provide transportation to a kennelling facility for dogs coming into their possession. We recommend that the fee for providing this service be maintained at £50 an hour. We anticipate an income of £100 this year.

5.2.2 The levying of charges for the seizure and detention of a stray dog primarily reflects the costs we incur for kennelling that dog until it is claimed. The kennelling and out of hours reception service we are statutorily required to provide is contracted out. Before a stray dog is returned, its owner has to pay a fee that consists of 3 elements and the charges for 2014/15 are as follows:

- Daily kennelling cost of £15.50 per day or part thereof
- Statutory fee of £25 (set in 1992)
- Administrative Fee of £8 per dog

- 5.2.3 We cannot profit from individuals who pay these charges and, as there is no increase in the boarding fees we pay our contractor this year, we propose simply increasing the administrative fee (which contributes to transport costs, out of hours surcharges etc) to £10 per dog. Despite escalating costs since 2008, it appears to have peaked during 2011/12 as our costs have stabilised.
- 5.2.4 The Council offers a low cost micro-chipping service for dogs and cats. As it provides a permanent means of identification we encourage dog owners to get their pet micro-chipped and this can reduce the time officers spend dealing with stray dogs as well as assist with disputes over ownership. Anyone can provide a micro-chipping service though most people will use their veterinary surgeon and currently the Dogs Trust is funding free micro-chipping within surgeries in the run up to compulsory chipping in 2016. The main advantage of our service to customers is that it is provided in the home. We therefore propose no change to the current fee of £16.00 including VAT. We also propose that the Environmental Health Manager continues to have the discretion to offer a reduced rate at promotional events such as 'Taking the Lead'.

6.0 Fixed Penalty Levels

- 6.1 Whilst penalties should not be seen as "income" Cabinet maintains the discretion to vary them from the national default sum so it is convenient to do so here. On 18th December 2008 members approved the types and levels of fixed penalty notices that the Council would consider using in the delivery of the clean neighbourhoods and environment agenda. Dog fouling has since been set at the maximum permissible of £80, with other dog control offences set at £50. Litter was increased in 2013 to £60.
- 6.2 The Antisocial Behaviour, Crime and Policing Act 2014 will eventually replace many of these offences and Cabinet will have to consider adopting the new provisions before the existing dog control orders lapse in three years' time. However, the Act introduced the Community Protection Notice (CPN) which covers a range of behaviours adversely affecting the quality of life in an area and these include provisions we previously had for accumulations of litter (and dog fouling) and defacement on private property. A penalty of up to £100 may be set. The primary use of the CPN for us is to ensure gardens are kept clean and tidy. We propose that the penalty is set at £70, less than the £80 penalty for failing to remove dog faeces in public areas. As the number

issued under the previous laws has been negligible no income is being declared at this time.

- 6.3 It is noted that the levels of fixed penalties issued fluctuates and this is in part due to reduced capacity within the Environmental Protection following recent restructures as well as increasing compliance particularly around smoking litter (which is to be applauded). Furthermore we have seen some non-payment which leads to prosecution. Whilst costs are awarded to the Council, it can be some time before it is returned to us via the Courts and it goes directly into central funds (so are not included here).

7.0 **EQUALITIES**

- 7.1 A preliminary Equalities Impact Assessment has been completed and no group is anticipated to face a disproportionate negative impact.
- 7.2 Registered assistance dogs, as defined in law, shall be exempt from fees associated with straying.

8.0 **FINANCIAL CONSIDERATIONS**

- 8.1 It is not easy to accurately predict the financial gain that will be achieved through these charges, as demand is variable and, in the case of kennelling income, is principally there to offset the fees we pay to our contractor.
- 8.2 For the purposes of these calculations, demand is based on recent years (and takes averages of fluctuations) and conservative predictions about the take-up of chargeable vermin control. In April 2014 we introduced charges for the public health pests (rats, mice and cockroaches); therefore we have yet to see what impact this will have on service uptake during the latter winter months. As such accurate forecasting is not possible and all income projections are subject to change.
- 8.3 The introduction of Universal Credit may impact on our current concession for those on “income-related benefits” principally housing benefit and council tax benefit, especially during the transitional period over the next twelve months. There is a risk that we will see a greater proportion of customers demanding the reduced fee. It is proposed that the concession will apply to those on Universal Credit with no earned income in parallel with the Service Manager’s

discretion to apply concessions.

8.4 Table 1 below shows that income will be £40,900. This is an increase of 15%.

Table 1 Income Profile

Service / Income	Budget 2014/15	Budget 2015/16
Domestic pest control	15,000	19,000
Commercial pest control	4,000	4,000
Strays and micro-chipping	7,000	7,500
Litter fixed penalty	8,000	8,000
Dog control fixed penalties	1,600	2,400
Total	35,600	40,900

9.0 ALTERNATIVE OPTIONS TO BE CONSIDERED

9.1 Given the agreed policy in terms of income generation, the alternative is to increase charges above those suggested and/or reduce the level of concessions for pest control. Alternatively the pest control service could be withdrawn.

10.0 RISK MANAGEMENT

10.1 Details of the risks associated with fees and charges are given in Table 2 below.

Table 2 Risk Factors Affecting Income

Risk	Likelihood	Impact	Mitigating Action	Revised Likelihood	Residual Impact
Below expected take up of services and competition	Medium	Medium impact on the income levels	Conservative income projection. Marketing of pest control services. Competitive pricing and concessions. Publicity about risks associated with DIY treatments. Council Tax guide advert.	Low	Low
Unpaid fees and written off debts	Low	Low	Pre-payment is necessary for many services. In others it is at point of delivery, apart from commercial invoicing	Low	Low
Fixed penalty fees not paid	Low	Low	Existing reminder letters to offenders keeps payment rates high. Court costs will be sought.	Low	Low
Reduced income due to uptake of Universal Credit	Low (due to phased introduction)	Low	Advice sought from Revenues. Limit to "no earned income" claimants. To monitor uptake.	Low	Low

11.0 RECOMMENDATIONS

- 11.1 That members approve the proposed fees and charges, including concessionary rates where applicable, as detailed in Appendix A, with effect from 1st April 2015.
- 11.2 That the Environmental Health Manager has discretion to offer reduced charges for micro chipping at promotional events and campaigns in the lead up to mandatory chipping in 2016.
- 11.3 That an interim review of the fees for rats and mice be undertaken in July 2015 having regard to the out-turn for 2015/16.

12.0 REASONS FOR RECOMMENDATIONS

- 12.1 To set the environmental health fees and charges for 2015/16.

RUSSELL SINCLAIR
ENVIRONMENTAL HEALTH MANAGER

Further information can be obtained from Russell Sinclair on Extn 5397

Officer recommendation supported.

Signed



Executive Member

Date 02/03/15

Consultee Executive Member/Assistant comments (if applicable)