



# Income Generation Options for Environmental Health

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# Local Government Finance

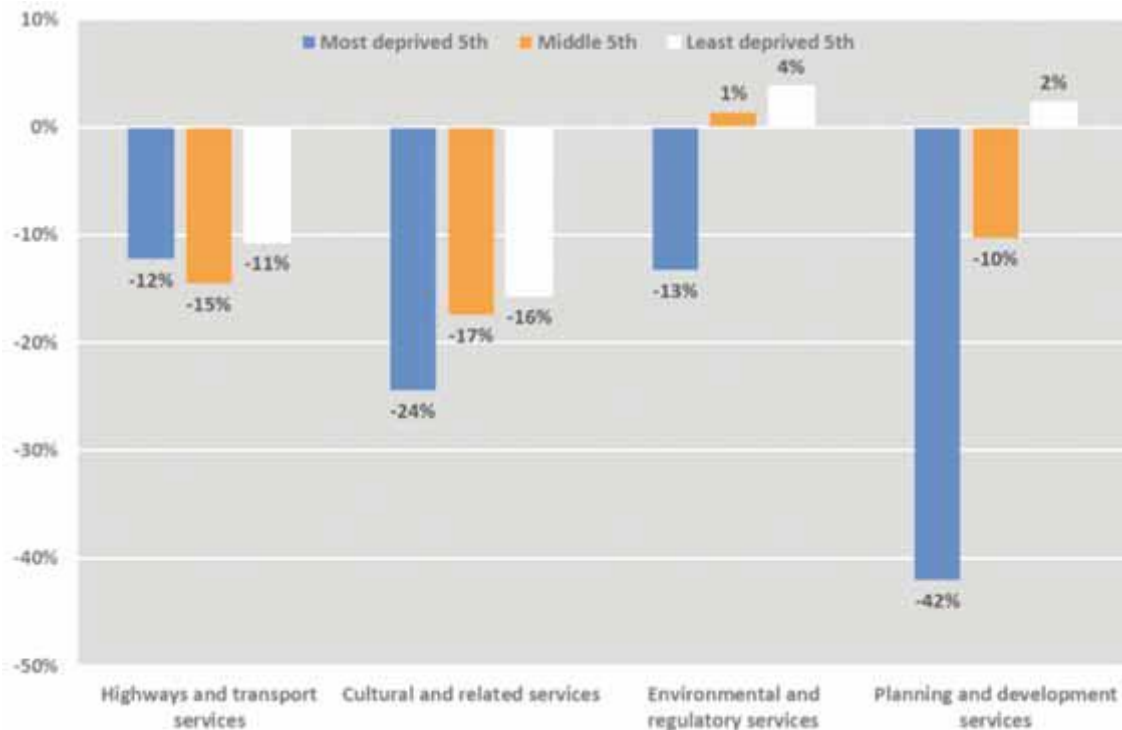


# The national picture on council finances



- Spending on neighbourhood services in the most deprived fifth of LAs fell especially sharply in:-
  - ☐ Financial support to bus operators
  - ☐ Food and water safety
  - ☐ Road safety and school crossings, community centres and halls,
  - ☐ Crime safety and CCTV.

# Percentage change in TSE by neighbourhood service sub-group and level of deprivation, 2010-11 to 2015-16



# Neighbourhood services where TSE fell by at least 20%



Reduction 2010/11 to 2015/16	All local authorities	Most deprived fifth of local authorities
At least 60%		Support to bus operators; community development
At least 50%	Support to rail operators	Tourism; crime, safety and CCTV
At least 40%	Community development; tourism	Environmental initiatives; congestion, bus lanes, traffic; economic and business development
At least 30%	Congestion, bus lanes, traffic; crime, safety and CCTV; economic and business development; environmental initiatives	Conservation and planning policy; community centres and halls; public toilets; trading standards; road safety and school crossings; museums, galleries and archives; building control; pest control
At least 20%	Sport and recreation facilities; public toilets; trading standards; libraries; pest control; structural maintenance – roads and bridges; museums, galleries and archives; routine road maintenance	Food and water safety; libraries; theatres and entertainment; structural maintenance – roads and bridges; routine road maintenance

# How do we balance the books?



# Charging powers



- Goods and Services Act 1970
- S 93 LGA 2003 - Broad powers to charge
- Localism Act – reaffirms charging powers and
- Section 45 Environmental Protection Act 1990 (commercial waste)
- Civic Restaurants Act 1947
- Section 32 Local Government (Miscellaneous Provisions) Act 1976

# But....



- Distinction on statutory duty to do something
- Ability to raise fees and charges
- Political buy-in?
- The landscape is changing..



# Food Inspections?



## Food standards agency advice March 2017

*Following the trial of charging for requested FHRS re-inspections/re-visits with some local authorities in England, using existing powers in the Localism Act (2011) (see ENF/E/16/053 dated 12th September 2016) FSA can now confirm a change in policy allowing use of these powers by local authorities in England<sup>2</sup> to introduce cost recovery for requested FHRS re-inspections / re-visits*

*NB Food premise registrations etc. remain free*

# Pest control?



## Enforcement powers but doesn't prevent charging.....

- The Prevention of Damage by Pests Act 1949 section 4 which requires owners and occupiers to take action to control rats and mice on their property
- Public Health Act 1936 Section 83 (as amended), deals with verminous premises. – e.g. infestations of cockroaches, bedbugs etc.
- Environmental Protection Act 1990 gives further provision for dealing with pests, which may be prejudicial to health or a nuisance.
- Housing Act 2004 (Housing Health & Safety Rating System) gives provision for an improvement or prohibition notice to be served on landlords e.g. private sector housing, to rid the premises of pests



# Example charges....

- Ants - £55 (per treatment inside the home)
- Bed Bugs - £92 (for a comprehensive course of treatments)
- Beetles - £68 (per treatment)
- ***Birds - contact us for a quote***
- Cockroaches - £80 (for a comprehensive course of treatments)
- Fleas - £74 (per treatment)
- Mice - £67 (includes three treatment visits)
- Rats - £31 (includes three treatment visits, either inside or outside)
- Squirrels - £133 (includes three treatment visits)
- Wasps - £56 (per treatment)

***All other pests - contact us for a quote***

# London Borough of Barking and Dagenham



## *Example of permissible differential charging policy*

Pest type	Full price	Benefit price
Mice	£106.00	£69.00
Wasps	£106.00	£69.00
Fleas	£177.00	£89.00
Rats	£106.00	£69.00
Bed bugs	£177.00	£89.00
Cockroaches	£106.00	£69.00
Pharaoh ants	£106.00	£69.00
Squirrels *	£170.00	£85.00
Low-risk pests	£106.00	£69.00

# LBBD commercial



Pest type	Rates
Mice	£140.00
Wasps	£140.00
Fleas	£265.00
Rats	£140.00
Bed bugs	£265.00
Cockroaches	£140.00
Pharaoh ants	£140.00
Squirrels	£253.00
Low-risk insects	£140.00

# Classifying Commercial rates



- Commercial rates apply to:
- Internal businesses
- Educational facilities
- Private landlords
- Housing associations
- Clients outside the borough (up to a five-mile radius)

# Leicester City Council



## *Example of using your expert for income generation*

Course title	Course duration	Dates	Cost per person	Availability
<a href="#"><u>Food safety in catering level 2</u></a>	1 day	Wednesday 24 May	£55	Full
		Thursday 29 June		Places available
		Thursday 20 July		Places available
		Monday 4 September		Places available
		Thursday 5 October		Places available
		Wednesday 8 November		Places available
		Thursday 7 December		Places available

# Business training courses



- **Food safety courses**
  - [Food safety in catering level 2](#)
  - [Supervising food safety in catering level 3](#)
  - [Managing food safety in catering level 4](#)
  - [Food safety in manufacturing level 2](#)
- [First aid courses](#)
- [Health and safety courses](#)
- [Special requirements and group bookings](#)
- [Course payments](#)
- [Course information - FAQ's](#)





# Justifying charges?

- Residents available when the pest technician calls!
- Avoid wasted call-outs
- Value of avoiding re-infestation – encourages landlords / residents to follow advice or face further charges
- *But... risk of people not calling because they do not want to pay!*

# What are the routes to income generation?



- Simple charging mechanisms
- Trading companies. Are they needed?
- Shell company models
- Coops, mutuals and spin outs: The legal issues
- Public procurement and Teckal
- The Hamburg exception and trading with Academy schools

# Charging ahead



# General power of competence?



- General Power of Competence
- Charging not for a commercial purpose
- Defined as ‘subject to a duty to secure that, taking one financial year with another, the income from charges (allowed) does not exceed the costs of provision’
- Simplistic but effective mechanism

# Preparing to charge

- ✓ Review existing fees and charges
- ✓ Take cognisance of current council policy but...  
gain buy-in from transformation or  
commercialisation leads
- ✓ Do not overstate the market available to you
- ✓ Areas like pest control can be competitive
- ✓ Capacity – balance of risk on new employees or  
‘mopping up ‘ current productivity

# Practical steps

- Pricing strategy
- Sales platform – marketing the service
- Invoicing and payments (VAT)
- Business development strategy – can you link marketing of pest control to your registration and inspections?

# Further support?





# Do...



- Have a look at APSE Solutions web pages
- Do feel free to come along to the commercialisation network (Free to members!)
- Do come back to this group and share your ideas and experiences!



# Thank you



# Any questions

**LOCAL SERVICES**

**LOCAL SOLUTIONS**



## Contact details

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