

Taunton Deane Borough Council

Executive - 13 January 2010

Taunton Deane Borough Council - Pest Control Service

Report of the Community Services Manager

(This matter is the responsibility of the Executive Councillor Tim Slattery)

1.0 Purpose of Report

- 1.1 The purpose of this report is to examine the current in-house Pest Control Service provided by Taunton Deane Borough Council and to consider the feasibility of contracting the service to an external provider. As part of the Council's "Core Council Review" the Pest Control Service has come under scrutiny to determine if a similar service could be offered to customers at a more economical cost to the Council. This report furthers a proposal from the Core Council Review report which was agreed at Full Council on 23 November 2009. This proposal was to investigate contracting out this service with a view to a new provider operating the service from around April 2010.

2.0 Executive Summary

- 2.1 This report considers the current Pest Control Service and concludes with a range of recommendations that will culminate in a decision to initiate a procurement process for a contractor to operate the service from April 2010. Factors included in determining the viability of contracting out the service are the Council's statutory duties; public health impacts; cost savings; the Council's existing contracts; impact on Housing tenants and the Housing Revenue Account; existing Council subsidies; fees and charges to the customer and how the new contract with an external operator would work.

3.0 Background

- 3.1 Taunton Deane Borough Council currently operates the Pest Control Service at the cost of £109,620 for 2008/2009. This cost includes two full time in-house Pest Control Officers (PCO); two vans; one store at the DLO depot; an office at the DLO depot; pest control equipment and chemicals. Total budgeted income for the service during 2008/2009 was £35,950 giving a net service cost to the Council for the year of £73,670.
- 3.2 Additionally the service is supported by 0.6 FTE Environmental Health Support Assistant (EHSA) capacity, which carries out the main proportion of pest control booking and administration at a cost of around £13K.
- 3.3 The potential savings arising from contracting out the service make a contribution to and are therefore included in the £450K savings identified in the Core Council Review for Themes 2 and 4. The estimated potential savings arising from contracting out the service are £46K.

- 3.4 Under the Prevention of Damage by Pests Act 1949 the statutory duty on the Local Authority shall be to take steps to secure that the Borough is kept free from rats and mice, and in particular: -
- From time to time to carry out inspections;
 - To destroy rats and mice on land where the LA are the occupier and otherwise keep such land free from rats and mice where practicable;
 - To enforce the duties of owners and occupiers of land under the provisions of the Act.
- 3.5 The service has been extremely popular with customers for a number of years and levels of customer satisfaction have been very high as reflected by the on-going customer satisfaction survey.

4.0 Current Service Provision

- Domestic household treatment for rats and mice - £15 for three visits.
- Domestic treatment for fleas, bedbugs etc. - £48.30 + £9.50 materials (subsidised charge is £24.15).
- Domestic treatment for wasps £42.70 (subs. charge £21.35).
- Commercial treatment for rats and mice - £51.40 + materials +VAT.
- Commercial treatment for fleas etc. £51.40 +materials +VAT.
- Commercial treatment for wasps £42.60 +VAT.
- There are currently 26 domestic contracts for rats and mice all at £50 each for three scheduled visits. The total income for these contracts last year was £1150 (Appendix 2).
- There are currently 15 Commercial contracts – Priced on an individual basis. The total income for these contracts last year was £12,804 (Appendix 1). This includes income of £7000 from the sewer baiting contract with Wessex Water.

5.0 Rodent Fee Increase

- 5.1 The Council currently charges a total of £15 for the treatment of rodents in domestic residential property. This includes three visits by a Pest Control Officer, a survey of the problem, placing baits and expert advice.
- 5.2 This represents excellent value for money to the customer and since the introduction of this charge in 2005, the Council has received very few complaints about the fee and indeed the Service continues to receive high praise from customers in terms of service and value for money.
- 5.3 It is proposed to increase the charge for treating rodents to £25. This would be broadly in line with neighbouring Authority charges and remains significantly cheaper than the private sector. It would also appreciably reduce the cost of any potential contract. Since the introduction of the £15 charge in 2005 there has been no evidence to suggest that rodent infestations have increased resulting in enforcement action by the Council.
- 5.4 The National Pest Technicians Association produces an annual National Rodent Survey and has reported that the introduction of charging across UK Local

Authorities has caused more residents to carry out DIY treatment or not seek appropriate assistance at the correct time. This, they suggest is one of the causes attributed to the current increase in rodent population nationally; however this does not appear to be reflected in Taunton Deane. The trend for numbers of rodent treatments in Taunton Deane over the last five years is down.

- 5.5 Furthermore there has been no increase in reports of rodent infestations in Taunton since the introduction of 'Sort It'. This is probably due to the fact that all food waste is now stored in sealed containers rather than plastic bags therefore preventing access to rodents.
- 5.6 Other neighbouring authorities do not appear to have suffered from an increase in enforcement activity at the £25 contribution rate, however a national pest control contractor suggests that based on experience the service may be affected at the rate of £35.
- 5.7 It is therefore proposed to increase the charge for rodent treatments in domestic properties from £15 to £25. On the basis of recent workloads this increase equates to an additional £3.5K income.

6.0 Existing Subsidies

- 6.1 The Council currently operates a subsidy system in that all residents on specified benefits (income based job seekers allowance; income support; guaranteed pensions credit) pay half the cost of all treatments other than rodents. The potential appointed contractor may or may not continue to offer subsidised treatments, which would depend upon whether the Council were to stipulate, contractually, that subsidies are to remain. This decision would ultimately have an impact on the cost of the contract. Following enquires into neighbouring Authority pest control services it is evident that all continue to offer subsidies to customers on specified benefits. It is therefore recommended that the Council continues to offer subsidies to all customers on specified benefits via the potential new pest control contract.

7.0 Impact on Housing Tenants and HRA.

- 7.1 As a social landlord the Council has acknowledged its responsibility to its tenants and so pays the £15 cost for all rodent treatments required in Council accommodation. The reason for the Council paying the fee is to help to prevent the occurrence of infestations building up in council property, and therefore avoiding the need to address any public health or structural damage to property that may arise from such infestations. The consequence of the proposal to increase the rodent fee, means that a decision will need to be made as to whether the HRA will continue to pay this fee.
- 7.2 Consultation has been undertaken with Housing Management and Portfolio Holder concerning the increase in cost of treating rodents to £25. This consultation indicates a wish to support the ongoing payment by the HRA of the increased fee for rodent treatment.
- 7.3 The following provides an indication of the impact on the HRA in the event of an increase to £25, the apparent increasing trend identified in these figures may be

attributable to greater awareness of tenants to the fact the landlord service pays this fee on behalf of tenants since it's introduction in 2005:-

- In 2006/2007 there were 55 treatments in Council premises costing the HRA £825. The increase to £25 would increase this to £1375.
- In 2007/2008 there were 82 treatments in Council premises costing the HRA £1230. The increase to £25 would increase this to £2050.
- In 2008/2009 to date there were 115 treatments in Council premises costing the HRA £1725. The increase to £25 would increase this to £2875.

7.4 It is therefore proposed for the council to continue to pay for all rodent treatments in Council residential property via the HRA.

8.0 Existing Contracts

8.1 The Pest Control Service currently operates a number of commercial and domestic contracts. Details of these contracts can be seen at Appendix 1 and 2. These may be terminated by either the Council or the purchaser after the second subsequent regular scheduled inspection and any work resulting from it. Alternatively these commercial or domestic contracts may be written into any service contract that the Pest Control contractor should continue to honour until the contract date expires. It may then be agreed between the customer and the contractor to continue with a new contract to be delivered solely by the contractor at the time of the renewal of each of these contracts.

8.2 Some of the current contracts relate to preventative pest control work on Council owned land such as Vivary Park and Goodlands Gardens. It is proposed that all current such work will be included in the contract specification to be undertaken by any potential contractor in the overall contract price.

8.3 It is therefore proposed that any future contractor will continue to honour all current TDBC pest control contracts until expiry. At the point of contract expiry the customer will then have the option of negotiating and arranging any new contract with the appointed contractor directly.

9.0 Contracting the Service

9.1 Internal market intelligence has revealed some approximate costs of contracting the service to an external provider. Providing the cost of treatment for rodents was raised to £25 gross and the provider retained all income, the cost to Taunton Deane Borough Council would be in the range of £7000 - £15,000, plus additional costs in relation to TUPE responsibilities.

9.2 Operating a reduced in-house service with only one Pest Control Officer, is unlikely to produce the appropriate savings required for the following reasons:-

- The specialist costs of operating the service will be present largely irrespective of how many operatives are employed. For example issues such as providing office and store at depot, maintaining all

risk assessments, and administrative support will still all have to be provided.

- The Council would continue to lease one vehicle and not operate the service if this was out of use or hire a suitably adapted vehicle.
- The Council would continue to purchase, store, maintain and dispose of all, rodenticide, insecticide and other equipment.
- The Council would not be able to operate the service when the Pest Control Officer was on annual leave or off sick.
- The Council would continue to pay for one on-costed Pest Control Officer, but equally the income would potentially halve.

9.3 The potential contract would include:-

- Provision of a front line customer contact centre 24/7.
- Booking appointments.
- Payments to be made over the phone.
- Guaranteed emergency next day appointment.
- Contract price to include all existing subsidies.
- Free service for all surveys on council premises following customer complaint of rodents on Council owned land and premises, thereby discharging our statutory duty.

9.4 An outline specification for such a contract has been considered and the details are contained in the draft contract at Appendix 3 – 5. The details of any such contract will be discussed and agreed with any potential contractor during the procurement process prior to finalising the arrangement. Details of other Somerset Authority arrangements including length of contract, procurement process and costs are at Appendix 6.

9.5 If this course of action is pursued, The Transfer of Undertakings Protection Employment Regulations 2006 (TUPE) will apply. This will mean that existing staff that provide this service will transfer across to the new service provider. The Local Government Act 2003 also applies which guarantees those staff that transfer a pension of equal value to their existing local government pension (The Best Value Authorities Staff Transfers (Pensions) Direction 2007).

10.0 Public Health Impact

10.1 The provision of a contracted pest control service, offering a similar service, should not have an increased detrimental impact on public health. Any contract will specify that the service to the customer will operate in a similar way to that currently in place in terms of response times, number of visits, expertise of the operatives and customer care as detailed in Appendix 3-5.

10.2 The increased cost to the customer for rodent control from £15 to £25 may initially receive some criticism from the public. However, this cost will remain

significantly lower than the same service offered in the private sector (see paragraph 5.0). Comments received from customers on the customer satisfaction survey carried out after every visit by a Pest Control Officer are almost without exception excellent. The service is both very good value for money and highly regarded in terms of customer care.

- 10.3 Should fewer people employ the services of the Councils nominated contractor then it is entirely possible that Environmental Health will receive an increased number of complaints about rats and mice. This may result in an increased level of enforcement action by Officers within the Environmental Protection Team, which will be time consuming. However, enquires into contracted services at other neighbouring Authorities suggest this has not been the case.

11.0 Linking with Dog Warden Service Contract

- 11.1 The Councils Dog Warden Service is currently operated by SDK, it may be possible to bolt on any future Pest Control Contract to the existing Dog Warden Contract, should the Council decide to contract the service to the same operator. This may have advantages, as a number of SDK operatives are competent as both Dog Wardens and Pest Control Officers and therefore a smaller number of Officers may be able to cover the Taunton Deane Borough Council area for both functions. Such an arrangement may also help to reduce costs.

12.0 Operating a Joint Pest Control Service with other Somerset District Council's

- 12.1 It is possible that the Somerset districts will be able to offer a pest control service operated by a single contract. Other Somerset LA's have expressed an interest in providing such a service with Taunton Deane Borough Council, providing a common specification can be agreed including charging and pests treated. This could take place either when existing contracts or extensions to contracts come to an end as currently existing contracts have different termination dates. Alternatively it could be agreed with the preferred contractor to arrange a joint contract before the natural expiry of existing contracts.

13.0 Procurement Process

- 13.1 Discussions are underway with SW1 procurement team regarding a potential procurement process. It is anticipated that an initial three year contract will not exceed the EU procurement threshold and can therefore be undertaken utilising TDBC Standing Orders. The process will take 2-3 months to complete.

14.0 Consultation

- 14.1 Consultation has been underway in relation to this proposal throughout the progression of the Core Council Review process via the Unison Change Forum. In addition more recently the staff affected by this proposal have been consulted directly about the potential implications for the service and for them directly.
- 14.2 Appendix section 7 contains some specific comments from the Pest Control Officers to support a reduced Pest Control Service of two officers down to one and other cost saving measures.

14.3 This matter was considered by the Community Scrutiny Committee on 15 December 2009. During the discussion of this item, Members made the following comments:

- Contractors would not be able to maintain the low fees for existing commercial contracts;
- Linking the dog warden service with the pest control service could derive cost benefits but it would be essential to manage the performance of the dog warden service to ensure that it did not deteriorate;
- More details were required from other District Councils who had outsourced their pest control service, relating to staff, public and Member satisfaction;
- If the savings were not as projected, the procurement process should be stopped before a contract was awarded.

Whilst the Community Scrutiny Committee supported the tendering process they requested that detailed figures were brought back to the Committee before a contract was awarded.

15.0 Recommendations

15.1 It is recommended that the Council instigates a procurement process and tenders for an externalised Pest Control service which will incorporate the principles of the Draft Specification documents contained in Appendices 3,4 and 5 and in particular will include following specific features:-

- To increase the charge for rodent treatment in domestic properties from £15 to £25
- The Council (via the HRA) to pay the cost of £25 for all rodent treatments on behalf of Taunton Deane Borough Council residential tenants in Council property.
- The Council continues to offer subsidies to all customers on specified benefits.
- Any future contractor will continue to honour all current TDBC pest control contracts until expiry. At the point of contract expiry the customer will then have the option of negotiating and arranging any new contract with the appointed contractor directly.

Contact Officers:-

James Barraah –Community Services Manager Tel 358699 Ext 2751

Martin Stoyles- Acting Environmental Health Operations Manager Ext 2493