

## **PEST CONTROL REVIEW - OUTCOME**

### **Cabinet – 5 December 2013**

Report of	Chief Officer Environmental and Operational Services
Status:	For decision
Also considered by:	Local Planning and Advisory Committee – 19 November 2013
Key Decision:	No

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**Executive Summary:** Following the decision of the Social Affairs Select Committee on 26<sup>th</sup> March 2013 this report updates the pest control service performance and recommends, for consideration, a suggested way forward for future service delivery.

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**This report supports the Key Aim of** Safe and caring communities, greener and healthier environment and effective management of Council resources.

**Portfolio Holder** Cllr. Ian Bosley

**Contact Officer(s)** Ian Finch – 01959 567351

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**Recommendation:** That the pest control service be exposed to competitive tender, for a three year contract and that the results of the tender be reported back to the Planning and Environment Advisory Committee and Cabinet for consideration.

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**Reason for recommendation:** The tender result will identify the most financially advantageous price of delivering the pest control service, and will compare the price submitted by the in-house service with prices offered by the private sector. The Tender result will inform the Advisory Committee and Cabinet of the cost of continuing to provide a pest control service.

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### **Introduction and Background**

- 1 On the 26<sup>th</sup> March 2013 the Social Affairs Select Committee considered a report on the review of the pest control service with various options considered for future service delivery.
- 2 It was agreed by the Committee and subsequently by Cabinet that the service be continued, as existing, until 2014, maximising income by charges and additional commercial sector work, whilst remaining competitive, but accepting that the service will produce a net deficit on the trading accounts of an average of £12,000 per annum; and that the Committee carry out a further review of the service in October 2013 to consider exposing the service to competitive tender.

- 3 A copy of the report considered at the Social Affairs Select Committee is provided, for Members information, as an appendix.

## 2013 Performance

### Financial

- 4 At the end of September the pest control trading account was in a surplus of £4,348, with £42,309 income generated of which £28,765 was from wasp nest treatments. Income from wasp nest treatments in 2012 was £10,664.
- 5 As wasp nest treatments have now finished for the season it is forecasted, by year end, that the pest control trading account will be in a deficit situation of £15,000.
- 6 The actual deficit in 2012/13 was £29,806.

### Treatments

- 7 April – September

	2013	2012
Rat treatments	43	57
Mice treatments	42	52
Wasp treatments	533	126
Other treatments	11	13
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	629	248
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- 8 Over a three year period the financial performance has been:

	£	
2011/12	-1,874	
2012/13	-29,806	
2013/14	-15,000	Estimated
Estimated average deficit	<hr/>	
	-15,560	

- 9 The 2012/13 deficit in the pest control account was 'absorbed' by Direct Services trading accounts overall, with a surplus of £73,716 being achieved for the year.
- 10 In the current year the Direct Services trading accounts, up to the end of September 2013 is achieving an overall surplus of £227,247 (£98,457 above profile).

#### **Pest control marketing activities**

- 11 In June 2013, a marketing plan was implemented to better promote the service, comprising:
- Establish unique selling points of the service and key activities throughout the year. Promote through all communications activities
  - Improve website pages: Rewrite and improve website content; enhance metadata to include all search terms to improve search engine rankings; flag up service on homepage during summer/key seasonal times; add pest control to business section
  - Revise Contact Centre script
  - Run extensive feature in summer edition of In Shape magazine. Include article in autumn edition
  - Features in 'Real Business' e-mail newsletter sent to 3,000 business
  - Promoting the service at key times using social media

#### **Options for Consideration**

- 12 To continue the service, as existing, maximising income by charges and additional commercial sector work, whilst remaining competitive, but accepting that the service will provide a net deficit on the trading account of an average of £12,000 - £15,000 per annum.
- 13 Expose the service to competitive tender with a view to accepting the most advantageous tender to the Council. The Direct Services pest control operation would be eligible to submit a tender.
- If this option was approved, the results of the tender process would be reported back to the Advisory Committee. There would be no requirement to accept any tender if the lowest price was considered too high. A tender process would take approximately three months to complete, so the results could be reported to the Advisory Committee in July 2014, and if accepted, the contract could commence by October 2014.
- 14 Cease delivery of a pest control service altogether. Enquiries to the Council regarding pest control services would be referred to the private sector alone, without suggesting a preferred contractor.
- If it was determined to cease delivering the service in-house, the redundancy costs as of March 2014 would be approximately £27,800.

The pest control trading account also cover other fixed overheads of £2,798, which would remain if the in-house service was ceased.

In addition pest control treatments to Council premises would still need to be provided at an estimated annual cost of £2,000.

## **Key Implications**

### Financial

- 15 The average annual deficit on the pest control trading account is estimated at £15,000 (2011/12 - 2013/14).
- 16 Despite the forecasted deficit for 2013/14, it is being absorbed within the overall Direct Services trading accounts which is forecasted to produce a surplus higher than budget.
- 17 If it was determined to cease delivering the service, £27,800 redundancy costs would be due. In addition costs of £4,798 would still be incurred as a result of fixed overheads currently borne by the pest control account and on pest treatments on Council property.

### Legal Implications and Risk Assessment Statement

- 18 The Council has no statutory duty to provide a pest control service. The Prevention of Damage by Pests Act 1949 places a duty on every Local Authority to take such steps as necessary to secure as far as practicable that their District is kept free from rats and mice and in particular:
  - (a) carry out such inspections as may be necessary for this purpose.
  - (b) to destroy rats and mice on land of which they are the occupier and so far as practicable keep it free of rats and mice.
  - (c) to enforce the duties of owner and occupier of land..... and carry out such operations as authorised by these provisions.
- 19 This duty would be fulfilled by Environmental Health staff.
- 20 If the service was 'Contracted out', the Transfer of Undertakings, Protection of Employment (TUPE) legislation would apply, and the existing in-house staff would be eligible to transfer employment to the new 'Undertaker'.
- 21 The current financial cost associated with the existing in-house service delivery is approximately £15,000 per annum, which can vary in individual years depending on the seasonal demand for treatments, particularly wasp nests.
- 22 Ceasing the existing in-house service may result in a reduced pest control service being provided to residents.

## Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	Yes	Ceasing delivery of the Service, or contracting out to a private company, may have a detrimental effect on residents receiving means tested benefits, as discount for pest control treatments may not be available. This may lead to infestation by pests remaining untreated for families on low income.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		Through the tender process require the 'Contractor' to provide a discount on pest control treatments to families on means tested benefits and provide this subsidy in future Council budgets (Growth item).

## **Conclusions**

- 21 There is no statutory duty to provide a pest control service, although the Council does have duties under the Prevention of Damage by Pets Act 1949.
- 22 Over a three year period, despite the best efforts of staff to reduce expenditure and increase income, the trading account is estimated to have an annual deficit of £15,000.
- 23 Income is Seasonal and very much dependant on wasp nest treatments.
- 24 This is a service that in 2003/04 had a net expenditure of £55,000 on the general fund, which is now reduced to a £15,000 deficit on the trading account.
- 25 The current in-house service provides free advice on pest control issues, and offers a discount on treatments to residents on means tested benefits, which may not be continued if the existing in-house service delivery ceases.
- 26 Unless the service is ceased completely, it is clear that whether the service is delivered in-house or by a contractor, an element of Council subsidy will remain.
- 27 Exposing the service to competitive tender will ensure that if this service is to continue, it will be provided at the best value available by awarding the work to the most advantageous tender bid.

**Appendices**

Appendix A – Report and Appendices to the Social  
Affairs select Committee – 26<sup>th</sup> March 2013.

**Background Papers:**

Pest Control Financial and Performance Information  
2004/05 – 2013/14

**Richard Wilson**

**Chief Officer Environmental and Operational Services**