

**WILTSHIRE COUNCIL
CABINET**

23 February 2010

REVIEW OF PEST CONTROL SERVICE

Cabinet member: Councillor Keith Humphries – Health and Wellbeing

Executive Summary

This report reviews the pest control service which is offered by the council. The service has been offered as a chargeable service in three of the four former district council areas which now form Wiltshire Council. In the former Salisbury area the service has been contracted out and the treatment of rodents has been offered free to domestic residents.

The report considers four options, these are:

- 1 - Extending the current in-house provision (with charging) to the former Salisbury District Council area
- 2 - Contracting out the entire service with the harmonisation of fees across the council area
- 3 - Withdraw the local authority pest control service completely
- 4 - Operating a mix of service delivery models by contracting out service for the southern area and continue offering free rodent treatments whilst continuing the in house service for the north, west and east areas

Proposal

That Cabinet endorse option one; retaining the in-house service and expanding this to cover the Salisbury area with the introduction of consistent fees across the council area with the aim to develop a cost neutral service.

Reason for Proposal

Extending the in-house pest control service to cover all former district council areas will deliver a high quality harmonised service at a lower cost compared to the other service delivery options.

Mandy Bradley, Service Director - Public Protection

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1. **Purpose of Report**

1.1 To determine the future provision and scope of the pest control service.

2. **Background**

2.1 Pest control is a service provided by most local authorities, particularly targeting those pests considered to be of public health significance. Pest control is a fundamental public health role as pests can be vectors of disease and pose a range of health hazards, and also contributes to healthy and safe communities. Pests can also cause damage to property and damage and contaminate food products. Pest infestations also make urban areas undesirable and may inhibit inward investment. Rodent populations are increasing nationally year on year largely due to recent mild winters, excessive wild bird feeding in gardens, and ineffective do-it-yourself treatments.

2.2 The majority of local authority pest control services are offered at a charge, often at a discounted rate, but a small and diminishing number offer free rodent treatments. The service principally covers rats and mice, but often extends to household pests such as wasps, fleas, bed bugs and even squirrels. Over recent years some authorities have contracted out the service. In addition there are a handful of councils nationally which have stopped providing the service completely. Where this has happened environmental health enforcement work increases on rodent infestations. There is an expectation from residents and businesses that the council will provide a pest control service.

2.3 Pest Control is a discretionary service therefore the authority can choose whether to provide it or not. However there are specific duties under the Prevention of Damage by Pests Act 1949 for the council to take steps to keep its area reasonably free from rats and mice and specifically to:

- Inspect the area from time to time
- Destroy rats and mice on land it owns or occupies, and
- To enforce duties of owners and occupiers to keep other land free from rats and mice.

2.4 Other powers and duties regarding public health pests are included in other environmental health legislation, such as the Food Safety Act, Public Health Acts, and the Housing Act. Any reduction in the level of service, and resultant increase in rodent population, would also increase the workload carried out by other environmental health professionals in the public protection service dealing with infestations and enquiries relating to both domestic and commercial premises.

2.5 In Wiltshire the pest control function is carried out by a combined pest control and dog warden team. The dog warden function is a statutory service.

2.6 It is the longer term aim to provide a cost neutral pest control function by providing a high quality service and building up commercial contract work.

3. **Main Considerations for the Council**

- 3.1 In Wiltshire three of the legacy authorities (North Wiltshire, West Wiltshire and Kennet) have historically offered an in-house chargeable service. The former Salisbury District Council had outsourced its service to a commercial company, Rokill Pest Control Services, for a number of years. The contract expires at the end of March 2010. The level of services offered by the former Wiltshire district councils varied slightly, but generally all included treatments for rats, mice, wasps, fleas, bed bugs and squirrels in some areas. The review of the service is driven by a number of factors including the need to harmonise, the end of the existing contract and the contribution to the medium term financial plan.
- 3.2 Where delivered in-house the service is charged at a highly competitive rate for both commercial customers and most domestic customers. The charges are set by a mixture of benchmarking with both local authorities and private companies. A subsidised rate is charged for those on certain means tested benefits. The charges for 2009/10 are attached as Appendix 1, which also compares Wiltshire's charges with local authorities and service providers.
- 3.3 The contracted out service in the Salisbury area currently offers a free service to customers for rats and mice but already charges for other insect pests. The contract cost is high as it compensates the contractor for the lack of income from rodent treatments. It does not offer a service for squirrels. Appendix 2 gives details of the service provided under the contract. Offering a free service may encourage householders not to take responsibility for prevention.
- 3.4 Whilst the service has been advertised in some of the legacy authorities, it is largely "word of mouth" recommendations which account for the majority of the customer base. It is considered that the service has a good share of the domestic market. Penetration into the commercial market however is low, as in the former districts the service has taken a cautious approach to marketing in the commercial sector. Appendix 3 shows the number of service requests and treatments carried out by the existing service.
- 3.5 The service carries out customer satisfaction surveys each year which reveal a high level of customer satisfaction (96%). 82% of customers said they would use the service again and less than 6% would not. Less than 3% of respondents said they would use a private contractor next time. Surveys for the contracted out work show a satisfaction rate of 92%.
- 3.6 There is a need to provide a consistent level of service across the Wiltshire Council area to develop a harmonised service.

4. **Options Assessment**

4.1 This report identifies four options for the future of the pest control service:

4.2 **Option 1 – Harmonised in-house provision**

The current in-house provision (with charging) could be extended to include the former Salisbury District Council area.

Advantages	Disadvantages
Financial savings on Salisbury contract costs	Introduces charges to Salisbury residents
Offers a harmonised service and fee level across the council area	Additional staff costs
Flexibility of staff to assist with other work (acting as eyes and ears of other enforcement teams and assisting in drainage and other complaint driven public health work)	Need to recruit and train staff
High quality service at low cost	
Ability to control and monitor rodent and pest populations	
Maintains skills of staff	
Maintains income generation stream with potential to increase income further	
Public expectation	
Offers a cheaper solution than outsourcing	
Ability to develop the service by covering council properties (e.g. schools, cemeteries) and further increasing commercial contracts to increase income	
Good communications with waste and street scene services on cross service issues	
Gives full control over both service delivery and provision	
Greater economies of scale for procurement of materials	

4.3 Option 2 – Outsource the entire service

The service would be contracted out with the harmonisation of fees across the council area.

Advantages	Disadvantages
Transfer risk to private sector	Increased costs of contract
Training costs passed to private sector	TUPE implications of council staff transferring to contractor
Offers a harmonised service and fee level across the council area	Introduces double handing of customers' requests for service if council continues to take calls
Retains ability to control rodent and pest populations	Loss of control on customer care
	Loss of in-house skills
	Loss of income generation the opportunity passing to the private sector
	Loss of flexibility (pest control staff assisting with other EH functions, particularly environmental protection & licensing)
	Introduces charges to Salisbury residents

4.4 Option 3 – Discontinue the service

Withdraw the local authority pest control service completely.

Advantages	Disadvantages
Cost savings (staff, vehicles & equipment)	Negative impact on reputation
	Negative impact on public health
	DIY treatments can increase risks to the environment
	Potential increase in enforcement work by environmental health professionals and resultant increase in costs and legal expenses
	Additional training needed for environmental health professionals on pest control issues
	Additional cost of pest control work to council owned land Loss of flexibility (pest control staff assisting with other EH functions)
	Potential increase in rodent and pest populations
	Loss of income generation
	Potential of private companies to increase charges to Wiltshire residents as no council competition

4.5 Option 4 – ‘As is’ (three areas delivered in-house with outsourced pest control in Salisbury area with no charges for rodents)

The continuation of a non harmonised pest control service with a mix of service delivery models.

Advantages	Disadvantages
Limited flexibility of staff to assist with other work in some areas	Continues an inconsistent level of service across council area
Maintains free service to residents in the south area	Reduces income generation
Ability to control rodent and pest population	Limited ability to develop contracts in Salisbury area
Maintains skills in some areas	
Maintains limited income generation stream with reduced potential to increase income further	
Public expectation	
Some risk transferred to private sector	

4.5 Customer expectations

Wiltshire residents have high expectations of the level and quality of services. These expectations rise year on year in line with customer experiences of other non - council services. The rising expectations in terms of quality of service often conflict with expectations of low taxation. Additionally all political parties at national level are promoting ‘choice’ in the provision of public services, in line with customers’ individual needs. The

introduction of choice can bring increased cost, hence placing even further pressure on finances.

4.6 Contingency plans

If option one was approved, existing pest control officers would be reassigned to provide temporary cover for the southern area. This would prevent any reduction in the level of service whilst the recruitment process is completed. This contingency plan will be effective as it is not the busiest time of year for pest treatments.

5 Environmental Impact of the proposal

- 5.1 The pest control service has a significant impact on both public health and local environmental quality. Withdrawal of the service would have a detrimental impact on these aspects by allowing an increase in rodent and pest populations in both rural and urban settings. Rodent infestations when allowed to escalate can make urban areas undesirable and if gone unchecked may deter local investment.

6 Equalities impact of the proposal

- 6.1 The pest control service currently discriminates between residents of different areas by charging different rates. The preferred proposal to deliver an in-house chargeable service will deliver a harmonised service across the council area, and will also assist customers on means tested benefits by offering them a reduced charge.

7 Risk Assessment

- 7.1 There are a number of risks relating to the options proposed in this report. If the preferred option is approved there is a risk of political and public discontent at implementing a charge for what has been historically a free service (heavily subsidised) in the south of Wiltshire. The imposition of a charge will initially be unpopular and may result in a drop in request for treatments, but will result in a consistent service for all Wiltshire residents. If one of the other options is approved the complete outsourcing would result in the risk of increased costs. Discontinuing the service would risk an increase in both rodent numbers in the county, and increasing the number of potentially damaging DIY treatments, together with the public perception that the council should be providing this service. The “as is” option will result in an inconsistent service and the risk of challenge that this is unfair to non Salisbury residents and inequitable across Wiltshire.

8. Financial Implications

- 8.1 It is necessary to disaggregate the costs of the pest control service as existing budgets and staff cover both pest control and dog warden functions. The financial details in this section are calculated on disaggregated figures.

8.2 Option 1

	2008/09		2009/10		2010/11 *1
	Budget	Actual	Budget(full year)	Forecast (full year)	Budget
Staffing	189,200	189,200	189,200	165,400	241,600
Contract payments	79,800	79,300	79,800	79,900	0
Vehicle Costs	21,000	23,100	21,000	21,000	39,000
Materials	9,300	10,500	9,900	9,900	14,900

Other costs	16,300	22,600	15,700	13,600	15,700
Income	-115,800	-100,800	-115,800	-115,800	-195,500
TOTAL COST	199,800	223,900	199,800	174,000	115,700

*1 Income estimates based on a 70% fall in rodent treatments due to the introduction of a charge in the Salisbury area. (This is considered to be the worst case).

The result of option 1 is an additional income of £79,700 in 2010/11 compared to the 2009/10 budget, and an overall reduction in service cost of £84,100. If the estimated drop off in service requests is less than 70% this will result in greater income so reducing service costs.

8.3 Option 2

Quotes have been sought from four commercial pest control companies for the provision of a three year contract for Wiltshire Council. The indicative costs of a contract range from £150,000 to £250,000. These costs do not include any allowance for The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) costs which may be in the region of £100,000 for the contractor, and also may rise if the company is required to collect fees for all work they undertake. This option is more expensive than the in-house option.

8.4 Option 3

One off redundancy costs are in the region of £65,000. Precise costs will depend on the scale of the dog warden service which members wish to retain. As this is a statutory service the Council is required to provide a stray dog collection service. It is unlikely that one officer could adequately cover the entire council area. If two officers were retained then this cost would reduce. Additional costs for both enforcement and prosecution work will also result from greater enforcement activity under the Prevention of Damage by Pests Act. There will also be additional costs of pest control treatments on council owned land, however it is difficult to give precise costing for this.

8.5 Option 4

Expressions of interest have also been sought from commercial operators to continue the Salisbury area service. The indicative costs of a contract are a minimum of £100,000, which needs to be added to the in house costs for the three remaining areas (£120,000).

9. Conclusions

9.1 The extension of the in-house service in option one is the least expensive option if a pest control service is to be continued. It will provide a harmonised service and charging regime across Wiltshire and provide opportunities to increase income further as contract work is built up. This is summarised in the table below.

Option	Cost for 2010/11	Key advantages
1	£115,700	Offers a harmonised service and fee level across the council area at reduced cost
2	£150 - £250,000	Transfers risk to private sector
3	£65,000	Cost savings (staff, vehicles & equipment)
4	£220,000	Maintains free service to residents in the south area

10 Legal implications

- 10.1 There are legal implications relating to The Transfer of Undertakings (Protection of Employment) Regulations (TUPE). If option one is approved, the contractor has confirmed that it considers that TUPE will not apply as their staff do not work exclusively on council work. Should option two be approved it is suggested that further work on the specific implications of TUPE be undertaken in relation to any council staff which may transfer to the successful contractor. Further implications relate to the expiry of the existing contract for the former Salisbury District Council. Advice received indicates that there will be no costs arising from the expiration of the contract.
- 10.2 Should outsourcing be considered the services are covered by the Public Contracts Regulations (because they are "Part A" services and above the value threshold) if they were to be outsourced then this would have to be done by a PCR compliant procedure.

11. **Conclusions**

- 11.1 Cabinet is recommended to endorse option one, retaining the in-house service and expanding this to cover the Salisbury area with the introduction of consistent fees across council the area with the aim to develop a cost neutral service.

Mandy Bradley, Director of Public Protection

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Background papers

The following unpublished documents have been relied on in the preparation of this report: None

Appendices

1. Pest control charges for 2009/10, and neighbouring councils' and companies' charges for domestic premises 2009/10
2. Services offered under Salisbury contract
3. Pest control treatment numbers (April 2008 to December 2009)

Appendix 1

Pest Control charges for premises for 2009/10 (incl. VAT)

	Domestic Premises	Means Tested Benefit	Business Premises
Rodents - Advisory visit. - Complete treatment Note: Where a rodent treatment has previously been carried out and any suggested remedial treatment has not been completed, the right is reserved to charge £65 per hour (including those in receipt of MTB)	£25.00 £50.00	£25.00 £25.00	£25.00 £80.00 (per hour, inclusive of baits) 1 hr minimum charge
Squirrels	£65.00	£32.50	
Wasps - Advisory visit, no treatment - Readily accessible wasps nest - Each additional nest treated at the same site, same visit. (including those receiving MTB)	£25.00 £50.00 £10.00	£25.00 £25.00 £10.00	£25.00 £50.00 Payable at the time of treatment (If invoiced, £80) £10.00
Insects - Advisory visit, no treatment - Treatment per hour - including bees in chimney and clusterflies	£25.00 £65.00 Hourly charge 1 hour minimum	£25.00 £32.50	£25.00 £80.00 Hourly charge 1 hour minimum

Local councils and companies charges for domestic premises 2009/10 (incl. VAT)

Local authority or company	Rats	Mice	Wasps	Fleas	C/flies	Squirrels	Discounts
Wiltshire Council	£50.00	£50.00	£50.00	£65.00	£65.00	£65.00	50% discount if on a means tested benefit (MTB)
Cotswold *	£50.00	£50.00	£60.00	£65.00	Min.£65.00	-	-
Swindon *	£31.00	£31.00	£42.00	£40.00	-	-	Free to concessionary card holders
Test Valley *	£40.00	£40.00	£40.00	Min £45.00	Min. £54.00	-	Free rodent for MTB
North Dorset *	£40.00	£40.00	£50.00	Min £50.00	-	-	66% reduction for MTB
B&NES *	Free	Free	From £60.21	Quote	From £60.21	-	
Mendip *	£30.00	£30.00	£43.00	£79.89	£93.00	£80.00	50% discount MTB
South* Gloucestershire	£12.26	£12.26	£53.13	£53.13	£100.13	£126.70	-
Bristol City *	Free	£48.00	£80.00	£92.00	£80.00	£80.00	50% discount MTB.
The Pest Company	£58.75 per visit	£58.75 per visit	From £47.00	From £70.50	Quote	Quote	
ASW Pest Control	£105.75 for 2 visits. £44.65 for additional visits	£105.75 for 2 visits. £47.00 for additional visits	£58.75 plus £47 if ladder needed	£70.50	From £58.75	Quote	

* The lower cost services provided by councils are heavily subsidised.

Appendix 2

Services currently offered by the Salisbury contract

1. Rats and mice at domestic and other premises.
2. Cockroaches, cluster flies, fleas, bedbugs and lice at domestic premises and other premises.
3. Pigeon trapping shall be undertaken on request.
4. Wasps' nests at domestic premises and other premises.

Appendix 3

Pest control treatments April 2008 to March 2009

	North	South	East	West
Rats	369	1874	313	544
Mice	140	234	80	77
Wasps	195	462	172	317
Fleas	38	39	0	41
Cluster flies	0	22	0	16
Bedbugs	0	5	0	3
Cockroaches	0	5	0	1
Bees	0	0	0	15
Other Insects	0	0	38	19
Squirrels	0	0	0	18
Harlequins	0	2	0	0
Contracts	42	0	0	43

Pest control treatments April 2009 to December 2009

	North	South	East	West
Rats	189	1027	177	354
Mice	67	97	40	45
Wasps	300	592	382	409
Fleas		31	15	27
Cluster flies		16		29
Bedbugs		1		4
Cockroaches		2		2
Bees	0	0	0	12
Other Insects	58	0	38	13
Squirrels	0	0	0	17
Harlequins	0	0	0	0
Contracts	6	0	2	51

North - (Fleas, Clusterflies, Bedbugs and Cockroaches all included in the figure for other insects).

East - (Clusterflies, Bedbugs and Cockroaches all included in the figure for other insects).