

## **Report to the Cabinet**

**Report reference:** C-068-2010/11

**Date of meeting:** 7 March 2011



**Epping Forest  
District Council**

**Portfolio:** Environment

**Subject:** Pest Control Contract

**Responsible Officer:** John Gilbert (01992 564062).

**Democratic Services Officer:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

(1) To consider the following options for the pest control service when the existing contract ends at the end of June 2011:

(a) cease the treatment service in its entirety; or

(b) provide a treatment service through a normal service contract or an alternative approach such as "a preferred contractor", service sharing with another Council or the re-provision of an in-house service;

(2) To impose a charge for all treatments; and

(3) To receive a further report at a future Cabinet on the outcome of the procurement exercise along with options for the setting of fees and concessions.

### **Executive Summary:**

The current Pest Control Contract expires at the end of June 2011. The contractor is not willing to extend the contract under its present terms and Members are asked to consider options for future pest control provision. At this time a principled decision is sought regarding the provision of service and tendering processes with Cabinet receiving a further report in due course setting out the outcome of that procurement exercise and options for service delivery and approach to concessions.

### **Reasons for Proposed Decision:**

The current pest contract ends in June 2011. If Cabinet wishes to continue to provide some form of treatment service to residents, a service will need to be procured.

### **Other Options for Action:**

There are no options other than those to be considered as part of the recommendations.

### **Report:**

1. The current contract for pest control expires in June 2011. The terms of the contract are that the Council pays the contractor £42,000 per year, with the contractor collecting

payment for treatment from residents and returning it to the authority. The fees are set by the Council. The contract allows for the contractor to retain any income from wasp treatments beyond 1,000 treatments per annum.

2. The total number of requests for service varies from year to year and details of treatments over the past four years are set out in the table below:

|                       | <b>06/07</b>   | <b>07/08</b>   | <b>08/09</b>   | <b>09/10</b>   | <b>Average</b> | <b>10/11 to date</b> |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| <b>Rats</b>           | 989            | 1,317          | 1,100          | 1,003          | 1,102          | 892                  |
| <b>Mice</b>           | 82             | 113            | 100            | 90             | 96             | 63                   |
| <b>Cockroaches</b>    | 7              | 24             | 10             | 11             | 13             | 5                    |
| <b>Bedbugs</b>        | 6              | 30             | 22             | 30             | 22             | 10                   |
| <b>Wasps</b>          | 682            | 1,294          | 630            | 1,113          | 930            | 1,122                |
| <b>Ants</b>           | 19             | 21             | 17             | 21             | 20             | 15                   |
| <b>Fleas</b>          | 18             | 25             | 10             | 22             | 19             | 24                   |
| <b>Carpet beetles</b> | 9              | 4              | 2              | 1              | 4              | 3                    |
|                       | <b>1,812</b>   | <b>2,828</b>   | <b>1,891</b>   | <b>2,291</b>   | <b>2,206</b>   | <b>2,134</b>         |
|                       |                |                |                |                |                |                      |
| <b>Income</b>         | <b>£14,939</b> | <b>£27,631</b> | <b>£15,687</b> | <b>£31,996</b> | <b>£22,563</b> |                      |

It can be seen from the above that the key determinant of fee income is the number of requests for wasp nest and rat treatments throughout the year.

3. The fee structure for 2011/12 is as follows (including VAT):

| <b>Pest</b>    | <b>Fee</b> | <b>Concession</b> |
|----------------|------------|-------------------|
| Rats           | £Free      | £Free             |
| Mice           | £35.00     | £18.00            |
| Cockroaches    | £Free      | £free             |
| Bedbugs        | £35.00     | £18.00            |
| Wasps          | £50.00     | £25.00            |
| Ants           | £35.00     | £25.00            |
| Fleas          | £35.00     | £25.00            |
| Carpet beetles | £35.00     | £25.00            |

It should be noted that these fees are for the entire treatment process and not for one visit. Whilst pests such as wasps can be dealt with at one visit, rats, mice and insects will frequently require up to three visits to achieve eradication. Data for 2010 suggests that more than 50% of those using the service claimed the concessionary rate. The commercial cost of rat treatment for residential premises ranges from £85 upwards, with an average cost of £120, this allowing for up to three visits to deal with the problem.

4. There are a range of service delivery options available, set out in the following paragraphs.

#### No Service

5. The Council has pursued this path in the past, but has chosen on each occasion to restore the service due to concerns expressed by residents. However, it remains the case that the provision of a pest treatment service is not a statutory requirement, and it would therefore be possible to not provide a service at all. Residents requesting a service would be advised to find their own contractor and pay in full for the treatment. As previously, the

disadvantages lie in the number of complaints which may be received about the lack of service and an inability to monitor the prevalence of rats and other vermin within the district. There may also be some additional officer time dealing with complaints involving the presence of pests where a resident fails to deal with the problem, although this would be offset in part by no calls for treatment being received.

#### Tender the Service

6. There are a range of options available and it is suggested that a number are pursued in order to obtain the best value for the Council and residents. The options include:

- (a) a normal tender process;
- (b) a preferred contractor model whereby either an appointment is made based on the level of discount which a contractor would provide to residents; or
- (c) where the Council sets a fee structure and the contractor bids on the basis of them retaining that fee.

#### Shared Service / Local Authority Provider

7. Despite the wide variation in the scale and nature of services provided and the difficulties which will result in finding a local council partner with whom we could genuinely share a service, enquiries will be made. It would also be possible, as part of the tendering exercises referred to in paragraph 6 above, to invite other councils to tender for the contract.

#### Re-provision of an In-House Service

8. The Council has not provided a pest treatment service in-house for more than 20 years. Endeavouring to do so brings with it a number of difficulties including:

- (a) availability of staff with relevant service provision expertise (although TUPE from an existing contractor may deal with this);
- (b) the need for secure storage for poisons and equipment;
- (c) capital costs of vehicles and equipment etc; and
- (d) the need for an operational base.

However, it is suggested that there may be merit in at least working up a form of 'ghost bid' so that a comparison can be made against external and other bids for the service.

#### Other Issues

9. Due to time constraints it is imperative that the procurement process is commenced as soon as possible and it is suggested that Cabinet considers providing a treatment service through the options outlined above. Once bids / prices are known, Cabinet can decide at a future meeting to what degree it wishes to recoup costs through the imposition of a charging regime.

10. Within the current fee arrangements for pest treatments no charge is made for the treatment of rats and cockroaches and all treatments to those of pensionable age are charged at half rate irrespective of personal circumstances. Cabinet is requested to reconsider these arrangements. As set out in the "Safer, cleaner, greener" implications later

in this report, pest control services were established and maintained by local authorities to control the spread of disease and to ensure that councils were aware of infestation levels. Given that in the main, local authority fees are less than those offered by commercial service providers, the service also encourages residents to report problems and to have treatments carried out. However, given the non statutory nature of the service and the need for the Council to provide services within reducing resources it is suggested that all pest control treatments be charged at the appropriate rate from the commencement of any new arrangements in July 2011. Using current data and levels of concessions, charging for rats and cockroaches would generate an estimated additional £10,000 to £15,000 per annum, although it should be recognised that demand may initially fall.

11. There is currently a 50% concession for residents of a pensionable age irrespective of their particular circumstances. On average, just over half of all treatments are provided under this concession. It is recognised that this concession does not necessarily assist all those on low incomes and nor is it necessary in cases where pensionable recipients are able to meet the full costs. As indicated in the report, it is likely that contractual costs will rise and the fees levied will also have to rise to keep the overall costs of the service within the available budget. It is therefore suggested that when Cabinet considers the outcome of any tendering exercise, it also, as part of that consideration considers the fee and concessions structure.

### **Resource Implications:**

In 2009/10 the budget for the pest control service was £46,000. The budget for 2010/11 is £41,000 and for 2011/12 is as follows:

#### **Expenditure**

|                     |         |                |
|---------------------|---------|----------------|
| Employee costs      | £ 7,560 |                |
| Transport           | £ 340   |                |
| Supplies & Services | £ 100   |                |
| Contract            | £42,000 |                |
| Support services    | £ 6,870 | <b>£56,870</b> |

#### **Income**

|      |         |                |
|------|---------|----------------|
| Fees | £16,540 | <b>£16,540</b> |
|------|---------|----------------|

**Net cost of service** **£40,430**

Discussions with other contractors and local authorities indicate that the terms of the existing contract are unique and are most unlikely to be repeated in the future. It is very probable that any future contract will be significantly more expensive than the existing one although just how expensive will not be clear until a tendering exercise has been undertaken.

If the service is discontinued then the budgeted contractual costs will be saved from July onwards for 2011/12 and then in entirety thereafter. Employee costs are less straightforward in that no particular officers are employed solely on pest control matters and therefore direct savings may not arise.

### **Legal and Governance Implications:**

The management by local authorities of pests in their area generally falls under the auspices of the Prevention of Damage by Pests Act (PDBPA) 1949, although the nuisance provisions of the various public health and environment acts also apply. The PDBPA requires that local authorities keep their areas, as far as is practicable, to keep their areas free from rats and mice, and in particular to:

- carry out inspections from time to time;

- destroy rats and mice on their own land; and
- enforce this same duty on owners and occupiers of private land.

The PDBPA requires that owners and occupiers inform a local authority if their land has “substantial” numbers of rats and/or mice, although this duty does not apply to agricultural land. Once such a notification is received, the local authority has to decide what action is required, and it can, by notice, require an owner or occupier to take steps to eradicate those pests. Subject to an appeal being made, if an owner or occupier does not comply, the local authority can itself undertake the necessary action and seek to recover costs. In addition, and notwithstanding undertaking works in default, a local authority can also take action in the Magistrates’ Court if a notice is not complied with.

The public health and environment acts are less specific, in that they contain powers to deal with statutory nuisance which can include for example, accumulations of refuse etc which may harbour rodents and other vermin. The powers for the local authority to act are however almost entirely the same as for the PDBPA.

It can be seen therefore that there is no requirement placed upon a local authority to actually provide for a treatment service. However, in reality, many local authorities do, because such a service is seen as a pragmatic approach to dealing with pest infestations and also enables a local authority to be aware of the scale of infestations in its area. It is also seen as a public health service, better provided by a local authority. The duty to keep its district free from rats and mice remains, and a local authority is under a duty to act if it forms the view that any infestation is substantial and that an owner/occupier was not prepared to deal with it. Such action would be particularly likely if an infestation was adversely affecting neighbouring premises due to someone else’s inaction. The degree to which such action would be required is unknown, but it is likely that such interventions would not be frequent.

There is no duty to deal with other pests such as bed bugs, fleas and cockroaches or to deal with wasps nests.

### **Safer, Cleaner and Greener Implications:**

Local authority pest control services are predicated on the basis of preventing the spread of disease through contact with rats and mice etc. In addition, rats and mice can cause damage to properties through, for example, chewing cabling. The Council has in the past formed the view that it would deal with rats and cockroaches because of their ability to harbour disease, but the modern reality is that diseases caused through contact with vermin directly are rare, although there remain cases of and deaths due to leptospirosis, a disease resulting from contact with water contaminated by rat urine. Most cases of reported leptospirosis arise in people whose job brings them into potential contact, such as sewer work, farm work etc and sportspeople such as rowers, canoeists, cavers and anglers. The average number of leptospirosis cases over the past 10 years has been just under 50 per annum, or about 1 case per million of the population per year (data from the Health protection Agency). Around half of all cases are due to leisure pursuits. There are two to three fatalities each year. Whilst rats also have the potential to spread other diseases, these are very rare indeed.

### **Consultation Undertaken:**

None.

### **Background Papers:**

None.

## **Impact Assessments:**

### Risk Management

Earlier decisions to cease the pest treatment service in its entirety cause reputational damage for the Council despite it not being a statutory requirement. The risk of continuance rests with achieving a balance between contractual costs and the level of subsidy the Council feels able to provide through supporting fees and charges. Despite there being little or no risk associated with charging for rats/cockroaches, there may be adverse public reaction. The final risk is associated with the chosen approach to concessions and their retention or amendment.

### Equality and Diversity:

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* No

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.