

EAST HERTS COUNCIL

NON-KEY DECISION – 18/05

REPORT BY EXECUTIVE MEMBER FOR ENVIRONMENT AND PUBLIC SPACE

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FUTURE OF PEST CONTROL SERVICE

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- To provide an overview the options available regarding the future of the Pest Control Service
- To highlight the feedback from Unison during the staff consultation period.

**RECOMMENDATIONS FOR DECISION: That:**

<b>(A)</b>	<b>the proposal for bringing forward the ceasing of the direct service provision as described in paragraph 2.18 of the report submitted is the most appropriate way forward to achieve financial savings, whilst still supporting vulnerable residents; and</b>
<b>(B)</b>	<b>provision of an advisory and signposting service is made available to all residents.</b>

1.0 Background

1.1 East Herts Council currently provides an in-house pest control service directly dealing with a variety of public health and non-

public health pests including rats, mice, wasps, ants, fleas, and other pests of significance.

- 1.2 The service is predominantly accessed through the Customer Service team. The service operates within office hours and does not provide evening or weekend treatment arrangements.
- 1.3 Customer satisfaction with the service is very high with 99% of customers surveyed (April 2013 – to May 2017) being satisfied with the service that they have received.
- 1.4 The service operates through three distinct working areas: Service requests from members of the public; commercial contracts with local businesses, town councils and schools; and some direct work from East Herts departments.
- 1.5 Over recent years there has been a decline in the number of service requests. During 2014/15 the service received 1143 service requests. In 2015/16 this had reduced to 976 and in 2016/17 reduced again to 958 service requests. In the first 6 months of 2017/18, only 338 service requests have been received to date due to a poor year for wasp nest treatments (149 requests).
- 1.6 There are a number of contributory factors to this fluctuating demand and subsequent income. One of the most important relates to the seasonal variation in the presence of certain pests. For example 2013/14 was seen as a bumper year for wasp treatments (700+) whilst in subsequent years we have not seen even 50% of this total in terms of requests for treatment.
- 1.7 The service has also noted a reduction in the number of service requests in relation to rats with 2013/14 seeing the lowest recorded number (347 requests). Service requests the following years have slightly increased but have still not achieved historic levels of between 800-1000. This could be

linked to a number of factors including charging, weather conditions or it could demonstrate the effectiveness of pest control being undertaken over a number of years.

- 1.8 Our commercial contracts have been declining for the past three years despite initiatives to encourage take up and service promotion. Many companies prefer to have a contract with a larger organisation that can also cover facilities/sites in areas outside of the district. This has included work we used to receive from the larger housing associations such as Network Homes & South Anglia Housing.
- 1.9 The pest control service currently charges for all of its treatment activity. The service currently offers a concessionary charge to those on low income/benefits. In 2016/17, 12% of customers paid this rate.
- 1.10 There are a number of local pest control businesses which also offer the service to residents. East Herts Council charges a similar treatment fee for wasps (to some providers) but charges the lowest fee for the treatment of rats in domestic premises. In the current financial climate, customers are not averse to shopping around for comparative costs /service delivery and therefore this has possibly impacted on the service requests (particularly with wasp nest treatments).
- 1.11 The British Pest Control Association undertakes an annual survey of pest control activity across all local authorities; their 2016 report identifies the changing face of pest control services.
- 1.12 80% of local authorities continue to provide some form of pest control service either in house, or more commonly contracted out; with the remaining 20% not providing the service. Data suggests an increasing trend for local authorities to discontinue any pest control service due to the current austerity measures and to changes to local authority financial models. 25% of local authorities contract their pest control

services to a third party.

1.13 Those continuing to deliver a service are increasingly charging the public for services whilst cutting core expenditure such as staffing, in attempts to meet budget requirements. The range of pests being dealt with by local authorities is also being reduced.

## 2.0 Report

2.1 The Pest Control Service has been maintained in traditional in house delivery model with reductions in staffing costs over a period of time. There have been some changes to fees and charges, the booking procedure, staff working hours and attempts to make the service more commercially focussed. However these initiatives have not managed to achieve any significant savings and the service continues to operate at a cost to the council.

2.2 The medium term financial planning process has determined that a saving of £45K will be achieved through the reduction of the service for the 2019/20 financial year. This was agreed by Council in March 2017.

2.3 In September 2017, the Head of Operations consulted with staff on the reduction of the service in line with the wider Operations restructure. Unison confirmed that it did not support the reduction of the service. During consultation meetings with staff and further discussions with union members it was agreed that all the options for service delivery were revisited to ensure the technical input from officers affected were fully considered before deciding to the reduce the service in 18/19 to achieve savings a year earlier.. This report revisits the options available to include concerns include further input from the pest control technicians.

2.4 The options appraisal assessed a number of options against the main objectives and this is attached in **Appendix 'A'**. The

main objectives are:

- 2.5 Objective 1: Reduce operational costs. As a discretionary service, the service should cover its costs and at a minimum deliver a £45k efficiency saving as agreed by Members.
- 2.6 Objective 2: Supporting vulnerable customers. Providing a commitment to ensure that any change still supports the most vulnerable residents in the District.
- 2.7 Objective 3: Ensure a competitively priced service for residents. The current service provides residents with an affordable pest control service.
- 2.8 Objective 4: Ensure quality of service. A quality service ensures good customer satisfaction, few complaints and effective pest prevention in the District.
- 2.9 Objective 5: Ensure residents health & wellbeing. The links between pests, disease and public health are widely known so it is important to consider how the options satisfy this objective.
- 2.10 Objective 6: Reduce risk to environment. Incorrectly used poisons can affect wider environment through secondary poisoning of wildlife.
- 2.11 Objective 7: Reduce management responsibility to EHC. In order to achieve greater efficiencies and sustainability of the service back office administration and management supervision should be minimal.
- 2.12 Objective 8: Reduce risk to EHC. Risks include financial, reputational and operational. Where there are risks these will be highlighted and ways to mitigate these explained.
- 2.13 Objective 9: Ease of service change. Certain service delivery options are easier and quicker to implement than others.

- 2.14 Objective 10: Possibility of making a surplus / increase business. With Councils thinking more commercially and commercial pest control companies successfully generating income this is a key objective to consider.
- 2.15 Through the appraisal of the options, this report aims to recommend the optimal option for the future operation of the pest control service. The eight options are:
- Option 1 to cease provision of the current in-house service.
  - Option 2 to contract out service following a procurement exercise with these.
  - Option 3 to include pest control as part of 2019 Grounds Maintenance contract re-tender.
  - Option 4 to have a shared service with neighbouring council/s.
  - Option 5 to run the service as a commercial company.
  - Option 6 to reduce staff number to one with contractor assistance.
  - Option 7 is similar to option 6 with the same benefits but reducing risks.
  - Option 8 to maintain the current service as it is currently delivered.
- 2.16 Each option has been considered to determine whether it meets the set of objectives. The advantages and disadvantages of each option are detailed in the table below:

		<b>Advantages</b>	<b>Disadvantages</b>
Option 1	Cease provision of in house service and signpost residents to local providers and provide contractor support for vulnerable residents	<p>There is no statutory requirement to provide a pest control service, so the authority could decide to withdraw current provision altogether. There is an estimated saving of £45K per annum (excluding one off redundancy and associated costs).</p> <p>The approach reduces reliance on the Council for a service that can be provided by a number of external providers, building community resilience.</p> <p>This option will provide officers and members some insight into the impact of reduction of services in a relatively small service area.</p>	<p>This decision would lead to seeking redeployment of two employees which if unsuccessful would lead to redundancy with associated one off costs.</p> <p>There are potential risks to the Councils' reputation if the service is terminated and a risk that rodent populations will increase if not properly managed.</p> <p>A further risk is identified if incorrect treatments are used and poison resistance increases above its current levels.</p> <p>The Authority could however mitigate these issues through the maintenance of a quality webpage that signposts customers to external service providers and equips them with the right information to get the best service possible. Similarly the Customer Contact Centre could be trained in appropriate advice skills.</p> <p>Support could still be given for vulnerable residents using a local provider for pest control provision and the Council subsidising the cost of this. It is estimated a budget of £5k would cover these costs.</p>

Option 2	Contract out service following procurement exercise	Many local authorities currently provide pest control through this service delivery method with varying levels of success. This could potentially work out as cost neutral.	As with all services contracted out, the risk would be whether the contractor provides the required level of service for the price. As the authority still has management control and responsibility for the service some authorities have found contracting out the service to increase complaints of poor service quality and therefore management resource is required to deal with this.
Option 3	Include pest control service as part of 2019 grounds maintenance contract	North Herts Council currently include this and it works out as a cost effective method of providing the service as can work out cost neutral.	Risks with this option would be whether a provider of grounds maintenance would have the expertise to provide this service as not a core function of their business.
Option 4	Shared service with neighbouring councils	Sharing risk and management of service can reduce overall cost.	We have previously investigated this option with Stevenage but logistically we were unable to take it further. This option also shares the same risks of a directly provided service in relation to fluctuation demand with the added complication of aligning different charging policies. It is therefore not recommended.
Option 5	Run as a commercial company	If successfully implemented with the right management structure and staff it could potentially generate a surplus for the authority.	Very few local authorities have tried this delivery method and it is a risky option as would rely on ensuring the service can compete with the private sector. It can also be time consuming to set up. Would be more likely to succeed in an urban area



			<p>where there is a greater demand and a bigger pest control team. The main risk is the ensuring there is enough work due to the seasonal demand for the service. As it has only been successfully implemented in urban areas it is a risky option and therefore not recommended.</p>
Option 6	Reduce staff number to one with contractor assistance	<p>The current service benefits from a number of commercial contracts and income from other one off jobs. These provide an approximate combined income of around £27K if maintained over coming years. If the service reduced to one staff member it would be possible to retain the in house service. Contractor assistance could then assist with annual leave cover and any potential peaks due to wasps during the summer period. This option would also meet resident expectation around the treatment of rodents in domestic properties – the so called public health pest and demonstrate the authority’s commitment to maintaining environmental quality.</p>	<p>Public expectation around provision of a pest control service would need to be managed as with one officer callout waiting times may be longer. If the reduced service option was chosen it would lead to the loss of one member of staff through redundancy with associated one off costs if redeployment is not successful. With this option there would still be risks in terms of ensuring enough work for one person as well as the associated management required to manage the service especially where there are peaks and troughs for demand. Based on past performance and current fees for rodent jobs it is also unlikely that the service will be cost neutral, but the deficit could be reduced to around £15k.</p>

Option 7	<p>Reduce staff number to one with contractor assistance and increase prices</p> <p>(The staff number would reduce to one with contractor assistance when required but charges to residents for the pest control work would be increased to be more in line with the private sector).</p>	<p>This provides an opportunity to increase the fee for treatment overall but offer concessionary charging to those on lower income. This may reduce the amount of work making it more manageable for one person,</p> <p>If charges for rodents were increased it is likely this could achieve a cost neutral service. This approach is not without its constraints in terms of balancing income generation and expenditure but is more closely aligned to the need to make the required savings in the MTFP.</p>	<p>Similar to option 6 with the same benefits but with reduced risks. However would still need a level of management and administrative resource to support the service. Customers' expectations may be higher due to the increased price. There is a risk that setting charges too high will deter residents from paying for treatments which will reduce income and lead to a requirement for more enforcement action to deal with infestations.</p>
Option 8	<p>Maintain current service with two pest control operatives</p>	<p>Keeps existing staffing levels and provides treatment for the range of pests that are currently dealt with.</p>	<p>This would however come at a cost to the authority. Annual fluctuation in service requests, in particular wasp nests and loss of some recent contracts present financial risks for the authority. The service operates at a deficit in the region of £50K and would therefore not meet the savings required in the medium term financial plan.</p>

### Consultation with Staff and Union

2.17 The Pest Control team we consulted for 30 days from December 2017 to January 2018 on the latest version of the report. From the consultation, Unison raised a number of concerns and questions; these are addressed in **Essential Reference Paper C**. In addition to this the Council received further comments from Unison in February 2018 (**Essential**

**Reference Paper D**), which the Head of Operations responded to (**Essential Reference Paper E**). These documents (**Essential Reference Papers C – E**) are withheld from the press and public on the basis that they contain exempt information as described in paragraph 1 of Part I of Schedule 12A to the Local Government Act 1972.

- 2.18 Having considered the various implications involved in a wide range of potential options, this report recommends that the proposal for ceasing the direct service provision (option 1) is the most appropriate way forward to meet financial savings, whilst still supporting vulnerable residents through a service by a local provider. For East Herts this option presents the least risk in terms of ensuring the MTFP savings are achieved in a timely manner. For the 2018/19 financial year this will therefore achieve a saving of £45k.
- 2.19 The Council will provide 12 weeks' notice to residents regarding changes to the service. It is envisaged that the single customer service team will respond to any pest control enquires in the first instance and direct customers to local providers. This will be supported by clear information on East Herts website regarding the service change. Assistance for vulnerable people will still be provided using these providers and a small budget will be available for this.

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

None

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