

Executive Report

Wards affected: All

Report of Director of Service Delivery

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## Introducing charges for rat and mice treatments

### Executive Summary

The report presents details of the existing pest control service provided by the Council and proposes options for introducing charging for rodent (rats and mice) treatments.

The options proposed and considered in the report are:

- Option 1 - Continue to offer a contracted out Pest Control treatment service with free rodent treatments for all residents in the Borough.
- Option 2 - Continue to offer a contracted out Pest Control treatment service but introduce charges for rodents with a 100% concession for users in receipt of qualifying benefits.
- Option 3 – Continue to offer a contracted out Pest Control treatment service but introduce charges for all pest control services including rodents without any concessions.
- Option 4 –Discontinue the pest control treatment service at the end of the current contract on 30 June 2021.

Officers recommend Option 2 as it delivers a saving but continues to maintain support for residents in receipt of qualifying benefits. Option 4 which proposes the most significant changes is also not discounted by officers as it delivers the most significant guaranteed saving.

### Recommendation to Executive

The Executive approves one of the proposed options for introducing charges for rats and mice treatments.

#### Reason for Recommendation:

In order to ensure the Council and recommendations for introducing charges for rats and mice treatments for residents.

**Is the report (or part of it) exempt from publication? No**

## **1. Purpose of Report**

- 1.1 The purpose of the report is to present background to the existing service provision for rodent (mice and rat) pest control treatments provided by the Council and propose options for introducing charging for rodent treatments which will allow the Executive to make a decision about future service provision.

## **2. Strategic Priorities**

- 2.1 The proposed introduction of charging for rodents supports the strategic priorities by delivering financial efficiency and potentially still helping residents on reduced incomes:

- Using innovation, technology and new ways of working to improve value for money and efficiency in Council services.
- Supporting older, more vulnerable and less advantaged people in our community

- 2.2 The Council is currently undergoing transformation under the Future Guildford programme. In addition to improving customer services, one of the aims is to save money and this proposal potentially contributes to those savings.

## **3. Background**

- 3.1 The Pest Control treatment service is discretionary and particularly targets those pests considered a public health risk, such as rats and mice (rodents). Treatment is a separate issue to the enforcement of statutory pest control legislation that remains a duty on the Council.

- 3.2 In that respect, the Council has specific duties under the Prevention of Damage by Pests Act 1949, namely to take steps to ensure that the borough is kept reasonably free from rats and mice and in particular to:

- from time to time carry out inspections
- destroy rats and mice on land the Council owns or occupies, and
- enforce duties of owners and occupiers to keep other land free from rats and mice.

- 3.3 The Council does not have to undertake pest control itself and, if it chooses to do so, there is no requirement to offer this service free of charge.

- 3.4 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.

#### **Current service provision**

- 3.5 The Council has provided a pest control service for over 35 years. Since 2010, a contractor has delivered a wide range of pest treatments on behalf of the Council. The current contract was jointly procurement with Mole Valley, Surrey Heath and Woking Borough Councils and expires on 30 June 2021.
- 3.6 The current service is reactive, responding to requests from residents for treatments and infestation surveys. All bookings and treatments are conducted by our contractor who residents contact directly by telephone or online at their customer service centre. The contract requires that treatments are conducted a maximum of 3 days after booking and there is a minimum of one pest controller conducting treatments in the Borough full time with 1.5 officers the average.
- 3.7 Table 1 below shows the trend in the number of initial pest control treatments completed in the last 5 years.

Table 1

<b>Number of initial pest control treatments completed in the last 5 years</b>					
<b>Pest/Year</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Bedbugs	51	15	17	11	9
Cockroaches	1	1	2	1	1
Fleas	20	14	12	3	4
Mice	188	194	206	210	134
Rats	808	758	803	947	784
Wasps	483	467	143	299	148
Other (Ants, Beetles, Moths, Squirrels)	16	6	4	3	3
<b>Total</b>	<b>1567</b>	<b>1455</b>	<b>1187</b>	<b>1474</b>	<b>1083</b>

- 3.8 The Council does not currently charge domestic customers for rodent (rats and mice) treatments but the service raises income by charging fees for other pest control treatments and a contribution from the Housing Revenue Account, which pays for the treatments within the Council's housing stock. The current fees and charges are in Table 2 below:

Table 2

<b>Charges for pest control from 1 April 2020 to 31 March 2021</b>			
<b>Pest</b>	<b>Domestic premises</b>	<b>Domestic premises where the main occupier is receiving a qualifying benefit</b>	<b>House in Multiple Occupation</b>
<b>Rodents</b>	No charge	No charge	No charge
<b>Wasps (maximum 1 nest per premise)</b>	£70.00	£38.00	£70.00
<b>Wasps (extra nest)</b>	£38.00	£38.00	£38.00
<b>Other</b>	£85.00	£55.00	£120.00

- 3.9 To support those residents on reduced incomes a discount of just under 50% is currently offered on all chargeable services for those in receipt of the following:
- Universal Credit
  - Income Support
  - Pension Credit
  - Job-seeker's Allowance (income and contribution based)
  - Council Tax Reduction
- 3.10 The postcode locations of rodent treatments completed by the Council's contractor last year show that the majority of treatments were conducted in GU1 and GU2 postcodes, this is shown in Appendix 1. As GU1 and GU2 are highly populated areas of the Borough, it is expected that they would be the highest users of the service. Please note that these figures are not for the total number of rat and mice treatments conducted in the borough as many other treatments will be conducted in commercial premises and many residents will employ a pest control contractor privately.
- 3.11 The following income and expenditure table shows the cost of providing the pest control service. Fees and charges are set each year with the aim of no overall deficit. However the deficit or surplus of the service varies each year depending on the demands on free rodent treatments, the number of discounted treatments offered and the income received from the removal of wasp nests.

Table 3

<b>Costs of Pest Control service</b>				
	<b>Actual 16/17</b>	<b>Actual17/18</b>	<b>Actual 18/19</b>	<b>Projected 19/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employee related	9,657	9,642	11,163	10,833
Transport	642	658	375	525
Supplies and Services	613	760	389	266
Payment to contractor	46,301	34,713	52,052	39,424
Support	13,596	9,696	11,388	6,036
<b>Total Expenditure</b>	<b>70,809</b>	<b>55,469</b>	<b>75,367</b>	<b>57,084</b>
Income	19,813	7,791	14,450	9,744
Housing Revenue Account (HRA)	45,108	45,000	45,108	45,000
<b>Total Income</b>	<b>64,921</b>	<b>52,791</b>	<b>59,558</b>	<b>54,744</b>
<b>Net Cost (Deficit)</b>	<b>-5,888</b>	<b>-2,678</b>	<b>-15,809</b>	<b>-2,340</b>

### **Surrey Benchmarking**

- 3.12 We have conducted a review of the arrangements in place at the other local authorities in Surrey to benchmark our service and prices against our county neighbours. Whilst two of the eleven Surrey districts and boroughs provide no pest control provision for residents, the remaining nine employ a contractor to conduct a variety of pest control treatments.
- 3.13 The analysis shows that Guildford is now the only Local Authority in Surrey that provides free rodent treatments for all residents.
- 3.14 The benchmarking information also showed that of the 8 local authorities that charge for rodents the fee ranges from £38 to £145 and 6 offer discounts for residents in receipt of qualifying benefits which range from free to £50.63. A summary of the benchmarking analysis is attached at Appendix 2.

- 3.15 Caution needs to be exercised when making direct comparisons since it does not reflect the scale of the services, the quality to which they operate, nor any indication of the level of uptake and hence income.

### **Options Assessment**

- 3.16 The options below are to propose potential financial savings which are required by the Council as part of the Future Guildford programme.
- 3.17 This report identifies four future service delivery options to:
- Option 1 - Continue to offer a contracted out Pest Control treatment service with free rodent treatments for all residents in the Borough.
  - Option 2 - Continue to offer a contracted out Pest Control treatment service but introduce charges for rodents with a 100% concession for users in receipt of qualifying benefits.
  - Option 3 – Continue to offer a contracted out Pest Control treatment service but introduce charges for all pest control services including rodents without any concessions.
  - Option 4 –Discontinue the pest control treatment service at the end of the current contract on 30 June 2021.

#### **Option 1 - Continue to offer a contracted out Pest Control treatment service with free rodent treatments for all residents in the Borough – status quo.**

- 3.18 The Council may decide to maintain the status quo of continuing to provide all residents with free rodent treatments, as a decision is taken that it is a priority service where Council financial resources should be allocated. Continuing with the existing arrangement would set us apart from all other Surrey Authorities as shown in the benchmarking exercise. It could also be suggested that residents do not expect a free service as it is not common practice for Councils to provide free rats and mice treatments.
- 3.19 Option 1 does not provide any saving to the Future Guildford programme and savings would be required in other areas of the Council.

#### **Option 2 - Continue to offer a contracted out Pest Control treatment service but introduce charges for rodents with a 100% concession for users in receipt of qualifying benefits.**

- 3.20 Option 2 is the model provided by 6 of the other Surrey Local Authorities. By maintaining a pest control contract, the Council would be able to offer free rodent treatment and a discounted rate on other pest control treatments for residents on qualifying benefits as well as providing a value for money rodent treatment for all residents, where the cost from a private contractor is on average over £100. This option may encourage residents to continue to have rodent treatments when needed.
- 3.21 As we do have a number of properties where there are repeated treatments, introducing a charge may have the added benefit of encouraging some residents

to take ownership of infestations rather than using a free service to solely treat the rodents and not tackling the cause of the problem. This may be additional pest proofing, drain repairs or behaviours such as waste storage or bird feeding.

- 3.22 Fees and charges would be set for rats and mice treatments to cover the contractor cost and our internal costs of managing the contract. A contribution of £15,000, reduced from £45,000, from the Housing Revenue Account would support the free rodent treatments and other concessionary treatments within the Council's housing stock. For the reasons described earlier, depending on demand, there may continue to be a deficit in the budget some years.

**Option 3 – Continue to offer a contracted out Pest Control treatment service but introduce charges for all pest control services including rodents without any concessions.**

- 3.23 Option 3 involves imposing a charge for all rodent treatments which covers all the Council and contractor costs regardless of resident's circumstances. Two Surrey Local Authorities offer this type of service to their residents.
- 3.24 This cost neutral option ensures that residents are offered a value for money service but the Council is not in deficit as a result of providing the service. The option also results in a £45,000 saving per year to the Housing Revenue Account.

**Option 4 –Discontinue the pest control treatment service at the end of the current contract on 30 June 2021.**

- 3.25 As outlined above, the Council is under no legal obligation to provide a pest control treatment service. In view of the current budgetary situation this option would enable the council to make savings from ceasing to subsidise all rodent treatments (option 2) and officer time of managing the contract plus associated on-costs.
- 3.26 There is an established market for pest control with a number of specialist companies providing this service in the South East region. The Council would direct any requests or enquiries for pest control services by appropriate sign posting to commercial providers who are BPCA members via its website or Customer Service team. Two other local authorities operate this model.
- 3.27 Option 4 of discontinuing the pest control service generates the most significant savings as the Council incurs no cost or risk and a £45,000 saving per year to the Housing Revenue Account.

**4. Consultations**

- 4.1 Councillor Caroline Reeves and James Whiteman have both been briefed on the proposal and support the introduction of charging for rodent treatments.
- 4.2 Councillor James Steel, the Lead Councillor for Environment supports Option 2.

## 5. Key Risks

- 5.1 The key risks of introducing charges are that some residents may not have a pest control treatment when they have an infestation in their property, as they do not have money to pay for a treatment. This could lead to an increase in the rodent population in the Borough and reputational damage to the Council for withdrawal of a service to residents.

## 6. Financial Implications

- 6.1 Table 3 shows that there has been a deficit in the overall pest control contract in the last 4 years. The subsidy from the Housing Revenue Account supports both the free rodent treatments and the reduced fees for other treatments for Guildford housing residents. In some years, some of the cost of the free rats and mice treatments are offset by surplus in wasp treatments but this cannot be guaranteed.
- 6.2 Table 4 below is a summary of the potential savings. The savings in options 3 and 4 can be guaranteed however any savings in Option 2 are dependent on the number of discounted treatments offered.

Table 4

	<b>Potential annual saving or cost to the Council</b>
<b>Option 1</b>	£0 savings plus any surplus or deficit
<b>Option 2</b>	£30,000 from HRA plus any surplus or deficit
<b>Option 3</b>	£45,000 from HRA plus removal of risk of deficit in Options 1 & 2
<b>Option 4</b>	£45,000 from HRA plus removal of risk of deficit in Options 1 & 2

## 7. Legal Implications

- 7.1 There is no statutory duty for the Council to provide a pest control service.
- 7.2 A discretionary pest control service can be provided under the Localism Act 2011. The Act also allows the Council to charge for discretionary services provided the recipient of the service agrees.
- 7.3 The Council has obligations under the Prevention of Damage by Pests Act 1949 and the Public Health Act 1936 which requires the Council to enforce the duties of owners and occupiers to keep their land free from pests. In some cases these duties may require the Council to carry out pest removal work in default. In these cases, the Council will be entitled to recover the costs of doing so from the owner or occupier.

## 8. Human Resource Implications

- 8.1 There is a small likelihood of an increase in officer time required to investigate pest control complaints, but this is low as the majority of residents will continue to instruct a pest control officer if they have rats or mice at their property.



## **9. Equality and Diversity Implications**

- 9.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

## **10. Climate Change/Sustainability Implications**

- 10.1 There are no climate change or sustainability implications as a result of the proposal.

## **11. Executive Advisory Board comments**

- 11.1 The EAB agreed the following recommendations for submission to the Executive:

- The decision regarding the rodent treatment contract be deferred pending the gathering of information regarding the financial implications of residents in receipt of benefits utilising the service, the likely cost of a new contract and the possible impact of the reorganisation of Surrey into one or more unitary authorities.
- If possible, the current contract should be extended for 12 twelve months whilst this information is collected and analysed to inform future contractual arrangements.
- In the meantime, the Council should continue with the EAB's preferred Option 1. In the event that the Executive does not support the continuation of Option 1, as an alternative, the EAB seeks the implementation of Option 2 amended to allow residents in receipt of qualifying benefits to receive the service free of charge.
- The list of qualifying benefits should be updated to ensure that it does not exclude anyone who would otherwise be entitled to receive the service free of charge

- 11.2 The list of qualifying benefits has been reviewed in section 3.9 above following feedback from the EAB to reflect the current benefits available and state pension has been removed as it was felt that receiving a state pension an indication of need for financial assistance.

- 11.3 Option 2 has been amended to provide a 100% concession on all rodent treatments for those in receipt of qualifying benefits.

## **12. Summary of Options**

- 12.1 There are four options being proposed:

- Option 1 - Continue to offer a contracted out Pest Control treatment service with free rodent treatments for all residents in the Borough.
- Option 2 - Continue to offer a contracted out Pest Control treatment service but introduce charges for rodents with a 100% concession for users in receipt of qualifying benefits.

- Option 3 – Continue to offer a contracted out Pest Control treatment service but introduce charges for all pest control services including rodents without any concessions.
- Option 4 –Discontinue the pest control treatment service at the end of the current contract on 30 June 2021.

12.2 Officers recommend Option 2 as this option provides a saving to the Council whilst also continuing to support those residents with reduced incomes. In addition, consideration should however also be given to adopting Option 4 as it provides a larger saving to the Council which cannot be discounted due to the size of the savings required to be made to the Council budget as part of the Future Guildford programme.

### **13. Conclusion**

13.1 The Council is currently in the process of making savings due to a significant budget deficit and this report provides a variety of options for the Council to consider which could potentially contribute to those savings by changes to the existing pest control contract and the subsidies provided to residents.

### **14. Background Papers**

None

### **15. Appendices**

Appendix 1 – Pest by location across the Borough

Appendix 2 – Surrey benchmarking exercise