

Communities Overview and Scrutiny Committee

Agenda

Date: Wednesday, 26th August, 2015
Time: 11.00 am
Venue: The Silk Room - Town Hall, Macclesfield SK10 1EA

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Minutes of the Previous Meeting** (Pages 1 - 4)

To approve the minutes of the meeting held on 16 July 2015 as a correct record.

3. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

4. **Whipping Declarations**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the agenda.

For requests for further information

Contact: Katie Small

Tel: 01270 686465

E-Mail: katie.small@cheshireeast.gov.uk with any apologies

5. **Public Speaking**

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

Note: In order for officers to undertake any background research, it would be helpful if members of the public contacted the Scrutiny officer listed at the foot of the agenda, at least one working day before the meeting to provide brief details of the matter to be covered.

6. **Call In of Portfolio Holder Decision of 13 July 2015 - Pest Control Service Review** (Pages 5 - 26)

To give consideration to the above Call In

CHESHIRE EAST COUNCIL**Minutes of a meeting of the Communities Overview and Scrutiny Committee**

held on Thursday, 16th July, 2015 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor G Baxendale (Chairman)
Councillor C Andrew (Vice-Chairman)

Councillors E Brooks, M Grant, S Pochin, J Rhodes, M Warren and
J Saunders (substitute for M Beanland)

Apologies

Councillor M Beanland

In attendance

Councillor L Gilbert – Cabinet Member for Communities
Kirstie Hercules – Principal Manager for Local Area Working
Laura Woodrowhurst – Antisocial Behaviour Team Leader

7 MINUTES OF PREVIOUS MEETING

Consideration was given to the minutes of the meeting held on 26 March 2015.

RESOLVED

That the minutes of the meeting on 26 March 2015 be approved as a correct record and signed by the Chairman.

8 DECLARATIONS OF INTEREST

There were no declarations of interest

9 WHIPPING DECLARATIONS

There were no declarations of party whip

10 PUBLIC SPEAKING

There were no members of the public present who wished to speak

11 FORWARD PLAN

Consideration was given to the areas of the forward plan which fell within the remit of the Committee.

RESOLVED

That the forward plan be noted

12 WORK PROGRAMME

The Chairman provided an update on the current position regarding the work programme. The Corporate Overview and Scrutiny Committee had been requested to consider how an item, on issues caused by parking around schools and other public places, raised by Councillor Gilbert at a previous meeting, should be dealt with. The Corporate Overview and Scrutiny Committee had decided that this Committee should give consideration to the item and add it to its work programme.

The Chairman provided an update on the progress of the task and finish group looking at domestic violence.

RESOLVED

That the work programme be amended to reflect the points discussed

13 TOOLS AND POWERS OF THE ANTI SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014.

Laura Woodrow-Hurst, Anti-Social Behaviour Team Leader, gave a presentation about the tools and powers of the Council, Police and other organisations provided by the Anti Social Behaviour, Crime and Policing Act 2014.

The 2014 Act introduced a variety of new powers, some of which replaced previous powers. Previously there had been 14 tools and powers available to the Council and other organisations; the 2014 Act consolidated those powers into seven new tools and powers. This was to simplify the system and make fewer rules cover more issues.

A brief overview of each new power was provided. The Anti Social Behaviour Team was also responsible for delivering the Council's early and informal interventions such as mediation, youth notifications and ASB case management. The Committee agreed that it was important for all Councillors to be aware of the ASB Team and their contact details because Councillors dealt with anti social behaviour in their wards as part of the role.

RESOLVED

That the presentation be noted

That the Scrutiny Officer be requested to circulate the contact details for the Anti Social Behaviour Team to all Council members

14 COMMUNITY HUBS

Laura Woodrow-Hurst, Anti-Social Behaviour Team Leader, gave a presentation about the tools and powers of the Council, Police and other organisations provided by the Anti Social Behaviour, Crime and Policing Act 2014.

The 2014 Act introduced a variety of new powers, some of which replaced previous powers. Previously there had been 14 tools and powers available to the Council and other organisations; the 2014 Act consolidated those powers into seven new tools and powers. This was to simplify the system and make fewer rules cover more issues.

A brief overview of each new power was provided. The Anti Social Behaviour Team was also responsible for delivering the Council's early and informal interventions such as mediation, youth notifications and ASB case management. The Committee agreed that it was important for all Councillors to be aware of the ASB Team and their contact details because Councillors dealt with anti social behaviour in their wards as part of the role.

RESOLVED

1. That the presentation be noted
2. That the Scrutiny Officer be requested to circulate the contact details for the Anti Social Behaviour Team to all Council members

The meeting commenced at 10.15 am and concluded at 11.50 am

Councillor G Baxendale (Chairman)

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CHESHIRE EAST COUNCIL

Communities Overview and Scrutiny Committee

Date of meeting: 26 August 2015
Report of: Head of Corporate Governance and Stewardship
Title: Pest Control Service Review

1.0 Report Summary

This report sets out the procedure for the Call-in of the decision of the Portfolio Holder for Communities made on 13 July 2015.

2.0 Recommendations

- 2.1 That the Overview and Scrutiny Committee considers whether or not it wishes to offer advice to the decision maker (Portfolio Holder) in response to the Call In.

3.0 Wards Affected

- 3.1 All Wards

4.0 Local Ward Members

- 4.1 All Members for the above Wards.

5.0 Policy Implications

- 5.1 Contained within the attached report.

6.0 Financial Implications

- 6.1 Contained within the attached report.

7.0 Legal Implications

- 7.1 Contained within the attached report.

8.0 Risk Assessment

- 8.1 Contained within the attached report.

9.0 Background and Options

- 9.1 In accordance with Scrutiny Procedure Rule 12.3 any 6 or more Councillors can call in a decision. In this case, 6 Members have called in the above decision for the reasons identified in Appendix 1.
- 9.2 In accordance with Scrutiny Procedure Rule 12.8 the Committee has two options in respect of any further action. The Committee may decide to offer no advice, in which case the decision may be implemented. Alternatively, the Committee may decide to offer advice, in which case, the matter must be referred to the decision maker, in this case the Portfolio Holder, in order for a decision to be made upon it. In accordance with Scrutiny Procedure Rule 12.10, the decision maker is not bound to accept any advice offered to it and will have sole discretion on any further action to be taken. Such action may include:
- (1) Confirming with or without amendment the original decision; or
 - (2) Deferring the matter pending further consideration; or
 - (3) Making a different decision.
- 9.3 Where the Overview and Scrutiny Committee decides to offer advice, this must be clearly documented in the minutes
- 9.4 If the Overview and Scrutiny Committee decides not to offer any advice, then the decision of the Cabinet can be implemented immediately.
- 9.5 Full details of the Call-In Procedure can be found at Scrutiny Procedure Rule 12
- 9.6 The Portfolio Holder and relevant officers will attend the meeting to explain the background and reasons for the decision and to answer any questions the Committee may have.
- 9.7 The following records the decision of the meeting held on 13 July 2015:

RESOLVED

1. That detail in relation to the current provision of pest control services within Cheshire East, and the financial implications of various service delivery models that have been considered as part of a full review of the service, be noted.
2. That the proposal for the reduced service delivery model be approved as the most appropriate way forward to meet financial savings and to underline the commitment of Cheshire East Council to the treatment of public health pests.

3. That the Principal Manager: Regulatory Services and Health be authorised to implement the reduced service delivery model in conjunction with any necessary consultation with staff, Trade Unions and Human Resources.
4. That the Principal Manager: Regulatory Services and Health be authorised to communicate any changes to pest control service delivery to relevant internal and external stakeholders.

9.8 The Report of the Principal Manager: Regulatory Services and Health is attached at Appendix 2.

9.9 A response to the issues raised in the Call-In Notice is attached at Appendix 3.

10.0 **Appendices**

Appendix 1 – Call In Notice

Appendix 2 – Report of the Principal Manager: Regulatory Services and Health

Appendix 3 – Response to the issues raised in the Call-in Notice

11.0 **Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Katie Small

Designation: Scrutiny officer

Tel No: 01270 686465

Email: katie.small@cheshireeast.gov.uk

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Call In Request Form**Decision taken by:** Cabinet Member for Communities**Date of Decision** 13/07/2015.**Title of agenda item/report** Pest Control Service Review**Reason for Call In****

- 1) Viable alternatives have not been considered in public, in particular the option to transfer the services to an existing or new Alternative Service Delivery Vehicle (ASDV). It is understood that the ASDV option might have been discussed at informal cabinet, but there is no public record of this and so no public scrutiny has been possible.
- 2) The proposal was not considered by the relevant Overview and Scrutiny Committee, and this represents a failure to consult and consider other options than those presented in public to the Portfolio Holder.
- 3) The alleged budget requirement to remove the subsidy for the service is not evident within the Budget Proposals presented to elected members in February 2015. The decision therefore is open to challenge as being outside the policy framework.
- 4) It is stated in the background notes to the decision that the proposal arose from a review of enforcement activities. When questioned on this at the meeting, it was stated that the savings proposed do not affect enforcement. There is an internal contradiction within the statement. Moreover, there is reference in the decision notice to a report on different delivery options, but no such report was considered in public by the Portfolio Holder.
- 5) To effect the changes proposed in the current financial year will incur a non-recurrent redundancy cost, for which there is no identified budget. The decision is therefore outside the budgetary framework.

Call In Signatories (to be signed by 6 Members)

Signed Councillor...B Roberts.....

Signed Councillor.....I Fasheyi.....

Signed Councillor...N Mannion.....

Signed Councillor.....S Brookfield.....

Signed Councillor.....J Jackson.....

Signed Councillor.....S Corcoran.....

Date of call in Notice...15/07/2015

**** The Call-in rules as set out in the constitution stipulate that any 6 or more Members of the Council may submit a call-in notice in writing within 5 days of the decision being taken and recorded for one of the reasons set out below. In giving reasons for the call in, Members should consider the following criteria AND explain how any of them apply. Failure to provide sufficient detail may lead to the call in being refused:**

- (1) Decision is taken outside the policy/budgetary framework
- (2) Inadequate consultation relating to the decision
- (3) Relevant information not considered
- (4) Viable alternatives not considered
- (5) Justification for the decision open to challenge on the basis of the evidence considered

Head of Legal Services and Monitoring Officer Signature

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CHESHIRE EAST COUNCIL

Cabinet Member for Communities

Date of Meeting:	13 July 2015
Report of:	Principal Manager: Regulatory Services and Health
Subject/Title:	Pest Control Service Review
Portfolio Holder:	Councillor Les Gilbert

1.0 Report Summary

- 1.1 The report outlines the current service delivery model for the Pest Control Service operated by Cheshire East Council. It suggests three potential service models and recommends the one to take forward.
- 1.2 The report also highlights the fact that financial savings have already been agreed through the removal of £60K from service budgets during 2015-2016 and proposes how those might be realised.

2.0 Recommendations

- 2.1 To review detail in relation to the current provision of pest control services within Cheshire East and to understand the financial implications of various service delivery models that have been considered as part of a full review of the service.
- 2.2 That the proposal for the reduced service delivery model is the most appropriate way forward to meet financial savings and to underline the commitment of Cheshire East Council to the treatment of public health pests.
- 2.3 That the Principal Manager: Regulatory Services and Health be authorised to implement the reduced service delivery model in conjunction with any necessary consultation with staff, Trade Unions and Human Resources.
- 2.4 That the Principal Manager: Regulatory Services and Health be authorised to communicate any changes to pest control service delivery to relevant internal and external stakeholders.

3.0 Reasons for Recommendations

- 3.1 The Pest Control Service has experienced ongoing uncertainty about its future for several years and has, as a result, been maintained in its historical delivery model. This has allowed neither development nor

efficiency savings to be achieved and the service continues to operate at a cost to the council.

- 3.2 The financial planning process for 2015-2016 and beyond has determined that a saving of £60K will be achieved through the removal of the subsidy for delivery of the pest control service and the service budget has now been reduced to reflect this.
- 3.3 A recent review of Enforcement within Cheshire East recommended that the Pest Control Service should be reviewed to determine whether the council should continue to operate the service or consider alternative delivery options.
- 3.4 These pressures provide a real opportunity to review the current pest control service and determine the council's approach to sustainable service delivery within 2015-2016 and beyond.

4.0 Wards Affected

- 4.1 All Wards

5.0 Local Ward Members

- 5.1 All Ward Members

6.0 Policy Implications

- 6.1 None

7.0 Implications for Rural Communities

- 7.1 There are no perceived implications for rural communities as a result of changes to the delivery of pest control services.

8.0 Financial Implications

- 8.1 The pest control service currently costs circa £60K to provide. This includes overall expenditure which is reduced by the realisation of income from the services provided. Historically however, the service has reported a net nil cost for service provision as pressures have been subsumed by the wider Regulatory Services and Health budgets; this approach is unsustainable due to the impact upon the wider service area.
- 8.2 The financial planning process for 2015-2016 and beyond has removed this £60K subsidy from the service and in doing so has identified that there needs to be a move towards a sustainable and cost neutral service.

- 8.3 Continuation of the current delivery model will not achieve the required savings but remains an option that the authority may wish to support. This would also require a review of all pest control charges to ensure that they more adequately reflect the costs to the council of delivering them.
- 8.4 There is scope to reduce the current service provision to concentrate on contractual work and the treatment of rodents in domestic premises thus maintaining a commitment to the public health aspect of pest control. This approach has the potential to provide a break-even approach although this is not guaranteed due to the variables involved (service request numbers and the proportion of those who would pay for the service at a concessionary rate). In addition it will require an increase in the current charges of £10.00 levied for treatment of rats in domestic premises to £40.00 with an concessionary charge of £20.00 for those on income related benefits.
- 8.4.1 If these proposals are implemented in this financial year, full year savings will not be realised and therefore the service will not significantly move towards a cost neutral status during the 2015-2016 period. Instead savings will be fully realised in subsequent years; there needs to be regard to redundancy and pension costs when considering how long this may actually take (see paragraph 14.3.6).
- 8.4.2 Where the option for a reduced service delivery model is determined as the way forward it will be necessary to ensure that situation is regularly reviewed - potentially on a six monthly basis, to identify progress, success and any potential problems that need rapid attention.
- 8.5 The council could consider the cessation of the pest control service in its entirety. There is no statutory duty to provide a commercial service and there are a number of local providers who can undertake this work; in some cases at a lesser charge to the customer. This approach would make annual savings of £60K which would cover the £60K that has already been removed from the service budget for 2015-2016 and beyond. There would however also need to be an understanding of the redundancy and pension costs involved in this decision (Paragraph 14.2.5) as these will impact upon any savings in the first instance.

9.0 Legal Implications

- 9.1 The links between pest control and public health are long established through the spread of disease causing pathogens. As a result of this there are legal requirements placed on local authorities to ensure that their area is kept free from rats and mice, with the most current being the Prevention of Damage by Pests Act 1949 (PDPA49). Pest control treatments are a discretionary service provided by many local authorities with the aim to assist with the public health role in targeting specific pests such as rats, mice and some insects such as bed bugs, fleas and cockroaches.

- 9.2 Whilst section 2 (1) of the PDPA49 imposes a requirement on all local authorities 'to take such steps as may be necessary to secure so far as practicable that their district is kept free from rats and mice', it does not make reference to any other pests which may be of a public health significance. In addition, the Act does not place a duty on local authorities to provide a service for dealing with any pests, but does provide enforcement powers so that local authorities can require owners of land to undertake treatments for these pests where they are causing a significant problem. There is also other legislation in existence which can be used to require land or property owners to take action to address pest infestations.

10.0 Risk Management

- 10.1 There is potential for criticism of the council as a result of changes to pest control service delivery; this is particularly the case where the service is discontinued completely. A reduced service delivery will not be without criticism but it is possible to greatly reduce this due to the fact that it does demonstrate some commitment to the eradication of public health pests and our corporate goals around health and the environment.
- 10.2 It is important to note that the figures that have been used in this document are derived from basic data and rely on a number of variables over which the service has no control such as number of service requests, maintenance of existing contracts etc.
- 10.3 There is also reliance upon agreement that the treatment of rats in domestic premises will be charged at £40.00 in order to more accurately reflect the cost of actual service delivery. However the calculations also include the implementation of concessionary charging to protect the most vulnerable members of the community.
- 10.4 This price increase may however encourage residents to treat pests themselves with the potential impact to non-target species through use of inappropriate pesticides and also creating resistance within the pest population due to lower level poisons being used.
- 10.5 There is also the risk that residents will take no action to deal with pest problems and therefore impact on public health and environmental quality with the potential for increased complaints to the environmental health service under alternative legislation creating a pressure on existing resources.

11.0 Background and Options

- 11.1 Cheshire East currently provides an in-house pest control service dealing with a variety of public health and non-public health pests including rats, mice, wasps, ants, fleas, and other pests of significance.

- 11.2 The service is predominantly accessed through the Customer Contact Centre. Our pest control pages are well used offering both general advice and information on how to access the pest control service. The service operates within office hours and does not provide evening or weekend treatment arrangements.
- 11.3 Customer satisfaction with the service is very high with 99% of customers (April 2011 – to date) being satisfied with the service that they have received.
- 11.4 The service operates through three distinct working areas.
- Service requests from members of the public;
 - Commercial Contracts with local businesses and schools; and
 - Annual United Utilities sewer baiting contract.
- 11.5 Over recent years there has been a steady decline in the number of service requests. During 2011-2012 the service received 3347 service requests but in 2013-2014 this had reduced to 1828; 2014-2015 service requests totalled 2446 but this continues to generate an income less than its budget line of £100K; a total of £88K was ultimately achieved.
- 11.6 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 2011-2012 was seen as a bumper year for wasp treatments (1495) whilst in subsequent years we have not seen even 50% of this total in terms of requests for treatment; put simply, the service cannot treat pests that are not there.
- 11.7 The service has also noted a reduction in the number of service requests in relation to rats with 2013-2014 seeing the lowest recorded number since 2011-2012. 2014-2015 service requests increased by 25% on the previous year but have still not achieved historic levels. This could be linked to a number of factors including charging, weather conditions (the 2014 winter was particularly mild) or it could demonstrate the effectiveness of our sewer baiting programme which targets the highest areas of risk.
- 11.8 Our commercial contracts have stayed static for the past three years despite initiatives to encourage take up and service promotion techniques. The most commonly cited reasons for not having a pest control contract are linked to finances and the knowledge that if a pest control problem does occur then there is a wide range of businesses that can be contacted to deal with the issue. The service has just reviewed and renewed its pest control contracts to operate between 1 April 2015 – 31 March 2016 and will therefore be required to honour these as part of any decisions going forward.

- 11.9 The increase in external providers has also seen an impact upon pest control service request numbers. A review, including direct contact, of our local pest control businesses suggests that they are able to provide pest control treatments at a cost below that of the council. In the current financial climate and with the increase in price comparison approaches to purchasing customers are not averse to shopping around.

12.0 Fees and Charges

- 12.1 The pest control service currently charges for all of its treatment activity.
- 12.2 In October 2012 the pest control service introduced a nominal charge of £10 for the treatment of rats within domestic properties despite concerns that this could lead to criticism from customers who had previously experienced this service free of charge. This approach has now become commonplace within local authorities that provide a pest control service.
- 12.3 The service does not currently offer any concessionary charges to those on low income/benefits and therefore has no information on the percentage of our pest control customer base that this applies to and therefore the overall impact on income should this be introduced. For the purposes of the review we used a figure of 25% to reflect our potential concessionary customer based on information for our highest geographical incidence of income related benefit uptake.
- 12.4 As part of the annual fee setting process Cheshire East undertakes benchmarking with the Cheshire and Merseyside Authority grouping. For 2014-2015 Cheshire East Council charges for pest control were at the higher end of the scale of charges across the authority areas. In addition Cheshire East charges for all of its pest control services whereas there is a large element of free of charge services within the other local authorities.
- 12.5 Within Cheshire and Merseyside, only Cheshire East, Cheshire West and Chester Council and Sefton currently charge for domestic rat treatments at £10.00, £24.00 and £25.00 respectively.
- 12.6 A review of local pest control companies that serve the Cheshire East area indicate that Cheshire East charges a higher treatment fee for wasps (our second largest request) than the majority of providers and the lowest fee for the treatment of rats in domestic premises.

13.0 The National Picture

- 13.1 The British Pest Control Association undertakes an annual survey of pest control activity across all local authorities; their 2013 report identifies the changing face of pest control services.
- 13.2 Just less than 85% of local authorities continue to provide some form of pest control service either in house, or more commonly contracted out; during 2013 a further 15% of local authorities have decided to discontinue any pest control service due to the current austerity measures and also changes to local authority financial models.
- 13.3 18% of local authorities contract their pest control services to a third party.
- 13.4 The range of pests being dealt with by local authorities is being reduced.
- 13.5 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.
- 13.6 10 years ago almost all authorities offered free or subsidised pest control to their residents. In 2013 only 7% of authorities with an in-house service are able to continue to offer free treatments; for those who subcontract the work to a third party, around a quarter offer a free or subsidised pest service.

14.0 Options for Future Service Delivery

14.1 Maintain the Current Service

- 14.1.1 The authority may decide to continue with the service as it is currently delivered, keeping existing staffing levels (including the recruitment of the Pest Control Team Leader vacancy) and providing treatment for the range of pests that are currently dealt with. This would however come at a cost to the authority.
- 14.1.2 In order to address the service subsidy a review of costs would need to be undertaken. Currently Cheshire East charges one of the highest rates for non-rat treatments and therefore there is minimal scope for increase in this area due to the severe risk that we will be undercut by our local external competitors. Conversely we have the lowest charge for the treatment of rats and therefore any price increases would be more attractive in this area of work although would again need to consider the external market charges.
- 14.1.3 Where Cheshire East has an appetite for increased charging levels then the relevant criteria to be eligible for concessionary charges would need to be established to prevent low income families being detrimentally affected.

14.1.4 Calculations based on the maintenance of existing contracts and service request numbers; minimal fee increase of non-rat treatments; a charge of £40.00 for rat treatments and a maximum 25% uptake of concessions indicate that the service would still operate at a deficit in the region of £48K and would therefore not meet the savings of £60K that have already been removed from service budgets in 2015-2016 and for subsequent years.

14.2 Cease Pest Control Service Completely

14.2.1 As there is no statutory requirement to provide a pest control service, the authority could decide to withdraw current provision altogether.

14.2.2 There remains however public expectation that the authority should continue to provide a commercial pest control service and there may be dissatisfaction with the decision, certainly within the first twelve months.

14.2.3 The Authority could however mitigate these issues through the maintenance of a quality website 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.

14.2.4 This decision would lead to the loss of four employees through redundancy with associated one off costs; the pest control team leader resigned at the end of 2014 and so does not need to be accounted for in this approach.

14.2.5 Excepting redundancy and pension costs of circa £77K during 2015-2016 there would be a potential saving of £60K per full subsequent year by not providing a commercial pest control service, an amount which has already been removed from budgets.

14.3 Reduced Service Delivery

14.3.1 The current service benefits from a number of commercial contracts, including an annual contract for sewer baiting with United Utilities. These provide an approximate combined income of £36K if maintained over coming years.

14.3.2 In addition it would also be possible to retain a 'rodents' in domestic premises' service to operate alongside this proactive work. This option could also provide an opportunity to increase the fee for treatment overall but offer concessionary charging to those on lower income.

14.3.3 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.

- 14.3.4 Public expectation around provision of a pest control service would need to be managed. Again, the council could mitigate these issues through the maintenance of a quality website 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.
- 14.3.5 It would be appropriate to use this opportunity to review the current fees charged for rats in domestic premises and offer appropriate concessionary charging (See paragraph 14.1.3).
- 14.3.6 if the reduced service option were agreed it would lead to the loss of two members of staff through redundancy with associated one off costs. It is not possible to determine actual redundancy costs as these are different for the four employees. They would only be known at the end of a competitive interview process. Recent calculations put them at a minimum figure of £14,000 and a maximum figure of £63,500.
- 14.3.7 Calculations based on the maintenance of current contracts and service request numbers; a fee of £40.00 for rat treatments and a maximum of 25% concessionary customers (mice have a different charging rate that has been established for some years); a 2% RPI increase on contract costs, indicate that the full year costs for this service could be balanced by its income generation.
- 14.3.8 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 £60,000 saving.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Designation: Principal Manager: Regulatory Services and Health
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Background to Pest Control Service

- The provision of a pest control treatment service is a discretionary function and not a statutory function.
- Local authorities do however retain a statutory enforcement role under the Prevention of Damage by Pests Act 1949 to 'take such steps as may be necessary to secure so far as practicable that their district is kept free from rats and mice'.
- An enforcement review completed in 2014 picked up the current pest control treatment service provision for Cheshire East. The report referenced the fact that the service was operating with a significant subsidy yet is not a statutory function as the control of rats can be dealt with separately.
- Only 1.5% of Cheshire East Households currently use the pest control service operated by the Council.
- Service request numbers have seen a steady decline since 2011-2012 with an average annual reduction of 36%.
- The service is also impacted by seasonal variation due to summer pests i.e. wasps. Service request numbers for wasps are also declining. In 2011-2012 the council received 1495 requests for wasp treatments; the overall total for the subsequent years of 2012-2015 were only 1742. This has a significant negative impact on the viability of the service and the value for money that it offers the tax payers of Cheshire East Council.
- There are a large number of independent pest control providers on the open market. A survey in 2014 identified 8 local companies operating in the Cheshire East area and that these providers offer services at a lower cost to that of the council and with the trend for individuals to 'shop around' are benefitting from a larger market share year on year.
- Smaller independent companies are able to provide a more flexible service operating during the evening and weekend, picking up treatment work for those who are in full time employment.
- The range of DIY pest control treatments on the market is increasing and with the ongoing period of austerity are an attractive option to householders both in terms of cost and convenience.
- In 2013 the number of authorities providing some form of pest control service had reduced to 80% with 20% taking the option to discontinue services completely; nationally there has been a 20% loss of pest control staff since 2011.
- Ten years ago almost all local authorities offered free or subsidised pest control treatments to their residents but now only 6% of councils with an in-house service continue to be able to offer free treatments.
- A review of rat treatment charges with our nearest statistical neighbours identified that charges range from a minimum of £10.00 (Cheshire East) to a maximum of £89.95 (Herefordshire) for the 2015-2016 period.
- Given these factors it was determined that a full review of the pest control service be undertaken to understand its viability as a business, the value for money it provides and whether its current delivery model was sufficient to meet the needs of local residents and the authority itself.

Specific Call In Questions

1. *Viable alternatives have not been considered in public, in particular the option to transfer the services to an existing or new Alternative Service Delivery Vehicle (ASDV). It is understood that the ASDV option might have been discussed at informal cabinet, but there is no public record of this and so no public scrutiny has been possible.*

It can be seen that there are a number of competing issues facing the pest control service and which affect its viability as a business. Therefore as part of any review it was important to ensure that the authority made best use of the resources available and balance these with the needs of local residents (both customers and non customers) and our public health commitment.

The Pest Control Review completed in October 2014 identified six initial options for pest control service delivery which would require further consideration.

1. Retain the service as is;
2. Cease the service completely;
3. Provide a reduced service;
4. Contract out rats in domestic premises;
5. Partnership with neighbouring authorities;
6. Transfer to an ASDV;

Based on background information and in relation to the Partnership and Transfer options (5 & 6 above) the review document made the following statement;

‘Looking at the data associated with the current pest control service delivered by Cheshire East including staffing and ancillary costs and compared with the potential income stream it does not provide a business model that would be particularly attractive’.

The review of the service sought to identify whether there was a clear market for pest control services and whether the current provision by Cheshire East addresses that market or whether there is a need to approach service provision differently.

Evidence suggests that nationally local authority pest control services are a declining market; this is also mirrored in Cheshire East. Against this backdrop it was difficult to identify how either a Partnership or ASDV scenario would be a successful option, particularly taking into account other relevant considerations;

- The overriding cost for providing a pest control service are those of staffing; officers currently work at capacity due to the number of service requests and the travel time involved during a working day.
- There is significant training required for complex pest control work – notably the treatment of rodents.
- Our neighbouring local authorities continue to provide pest control services which alongside the small independent companies do not offer significant opportunity to expand the service beyond the boundary of Cheshire East and the current 1.5% customer base.

For completeness of reporting, the suggestion to contract out a ‘rodents in domestic premises service’ (Option 4) was based on a previous model operated by Congleton Borough Council. As this approach was purely a cost to the authority and generated no income it was discounted.

Therefore the focus moved to the three remaining models (1, 2 and 3 above) and their suitability based on local need. These options were considered having regard to the ongoing pressures faced by the service but also any positive aspects of current service delivery:

- The treatment of rodents in domestic properties is excellent with the overall commitment by officers to ensure that the result is the eradication of the problem. Unfortunately this can mean numerous visits by officers for only a nominal service cost – currently £10.00 and this is one aspect that it was felt needed to be included in any review. Following a benchmarking exercise it was identified that the charge would need to be increased but that a new concessionary charge is implemented for those on income related benefits.
- The service benefits from a variety of commercial contracts which provide a reasonably dependable income year on year although numbers remain static in recent years. The United Utilities contract hugely supports our role in targeting the rodent population with positive impacts for the whole community.
- The small proportion of the community who do use the pest control service have a very positive experience which is supported by our customer satisfaction responses.

1. Retain the service as is

The current model is unsuitable as a means of providing a viable and value for money service as is evidenced by annual costs (see below) and the ongoing challenges to the service.

Annual costs to provide the service are detailed below (this includes expenditure and income)

- 2013-2014 = £ 160,631.32 (including on costs* of £74,174)
- 2014-2015 = £ 159,009.10 (with reduced staffing costs and including on costs of £72,098.13)

*On costs are attributed to support service costs including finance, HR, IT and Customer Contact.

2. Cease the service completely;

The cessation of the pest control service completely could be very detrimental to sections of the local community who have always looked to the local authority for advice and/or the treatment of pests. This includes the elderly, vulnerable or those not confident enough to take matters into their own hands and who might be left with an untreated pest problem.

Such an approach would also lead to the complete loss of practical skill and knowledge within the authority with which to help and guide people who were experiencing general pest problems.

3. Provide a reduced service;

It was considered that a reduced service could offer the most appropriate response to the current situation offering both a sustainable and value for money approach offering treatment for the most important and complex pests.

As has been detailed previously the increase in external local providers has had an impact on service request numbers, but this has predominantly affected the simpler non rodent treatments. Because of the complexity of rodent treatment and the link to public health rats and mice are considered the expertise of the local authority.

However it was felt that in order to offer such a valuable and important service there would need to be an increase in the treatment cost but with the inclusion of a concessionary charge to support those members of the community on low income; this charge would need to offer value for money.

The retention of knowledgeable pest control officers who could offer advice and guidance to the local community would also offer excellent service and which could supplement the plans for detailed pest control website pages providing practical advice on how to choose an external pest control contractor for those services not offered by Cheshire East.

4. *The proposal was not considered by the relevant Overview and Scrutiny Committee, and this represents a failure to consult and consider other options than those presented in public to the Portfolio Holder.*

The Business Planning process is outlined below and provides information on consultation work that has included the review of the pest control service.

Date	Event
21 st July 2014	Corporate Overview and Scrutiny Committee receive a presentation including the draft proposal "Removal of subsidy from commercial pest control service" in their public meeting.
5 th August 2014	This presentation is repeated for an All Member Briefing. The slides were made available to Members on their Information hub (see slide 27) and a link emailed to all members on 12/8/14 by Diane Moulson.
11 th September 2014	Corporate Overview and Scrutiny Committee receive the Pre Budget Report including the pest control item on P19. The item is minuted during their public meeting.
2 nd December 2014	Corporate Overview and Scrutiny Committee receive the Pre Budget Report as part of a budget setting process update report during their public meeting.
16 th December 2014	An All Member Briefing takes place highlighting Pre Budget Report , the process and that there will be savings in Communities.
12 th January 2015	Labour Group briefing on MTFS Report – issue not raised.
20 th January 2015	Corporate Overview and Scrutiny Committee receive the Commissioning Plan style pages for 2015/16 at their public meeting. At this stage the estimates related to this item have been merged with "Business Improvement opportunities in enforcement services" and called: "Enforcement Services – exploration of commercial opportunities and focus on key enforcement activities to support residents" with a saving of-£110k.
February 2015	MTFS Report taken to public Cabinet and Council meetings and including the above Enforcement Services line. MTFS para 17 states "As a Council with a strong focus on putting residents and businesses first, we have stepped up our enforcement actions to prosecute people and businesses where they cause harm to others. At the same time we have been reviewing the work of our key enforcement services to ensure that they are focussed on the right issues. This has meant that there are elements within the services that

Date	Event
	can be delivered differently on a more commercial footing and also a pulling back on more national projects that don't necessarily benefit us locally, this will achieve savings of £110,000 in 2015/16."
13 th July 2015	Details of the estimates within the Pest Control service budget are subject to a Portfolio holder meeting . Implementation of a -£60k saving in Pest Control was agreed from 1/10/15.

5. *The alleged budget requirement to remove the subsidy for the service is not evident within the Budget Proposals presented to elected members in February 2015. The decision therefore is open to challenge as being outside the policy framework.*

The finance team have provided specific information regarding consultation on Budget Proposals for 2015-2016. This is provided below;

The business planning item originally explored removing the cost of the Pest Control function. Following further review with the Service Manager this has been changed to a "reduced service delivery" and reflected in the Budget Book as:

-£76k	Staffing	(2 members of staff – CR/VR required)
-£9k	Transport	
+£25k	Income	(based on increasing the price for rat treatments and stopping other services except commercial contracts)
-£60k	Total	

6. *It is stated in the background notes to the decision that the proposal arose from a review of enforcement activities. When questioned on this at the meeting, it was stated that the savings proposed do not affect enforcement. There is an internal contradiction within the statement. Moreover, there is reference in the decision notice to a report on different delivery options, but no such report was considered in public by the Portfolio Holder.*

The Portfolio Holder Report states that the review of the Pest Control service was considered necessary due to a number of issues and not just the recommendations of the Enforcement Review.

The reference to the Enforcement Review appears to require further clarification.

- During 2014 consultants were commissioned by Cheshire East to undertake an options appraisal of its Enforcement Functions. This was based on the Councils objective of becoming a Strategic Commissioning Council.
- This work covered a variety of service areas with enforcement responsibility and as part of the work there was discussion around the environmental health pest control function.
- The review presented a number of overall conclusions, recommendations and observations one of which was around the current provision of a commercial pest control service and the significant subsidy involved. The report recommended a service review to take this matter forward.

At the Portfolio Holder meeting on 13th July reference was made to the issue of enforcement and the fact that the proposals to reduce the service would not impact upon the retained powers to control rodents within the Prevention of Damage by Pests Act 1949. Conversely the Portfolio Holder report dealt with our provision of a discretionary commercial treatment service for all pests, including rodents, which is not a statutory function and is separate to our enforcement responsibility.

The Portfolio Holder report presented on 13 July has been the conclusion to a number of pieces of work where the commercial pest control service has been identified as requiring review. As part of this process options have been identified and reviewed and the final Portfolio Holder report is a presentation of what were felt to be the most appropriate options taking into account the detail of the service.

With respect to these final options the Portfolio Holder went through each one in turn and provided comments on each and the ultimate option to take forward.

- 7. To effect the changes proposed in the current financial year will incur a non-recurrent redundancy cost, for which there is no identified budget. The decision is therefore outside the budgetary framework.*

Colleagues within the finance team have provided the following information in response to this question.

At the point of approval this proposals was described as “Business Improvement opportunities in enforcement services” with the pest control item having the aim of removing the subsidy. No method of achieving this saving was detailed or agreed and therefore no assumption was made about loss of staff.

As a general rule, no one-off costs were factored in to the 2015/16 budget unless specifically identified as part of a change proposal. Should any additional funding be required the service should seek advice from the Chief Operating Officer.

The forecast outturn position for the pest control service will be monitored during the year. Should the service be able to deliver the savings but not absorb the implementation costs then the Chief Operating Officer will decide if additional funding is provided from Reserves or other areas to meet the shortfall. The approach of holding a minimum level of reserves for such a purpose is detailed on page 159 of the MTFS report that went to February 2015 Council.

The proposal is, therefore, within the agreed budgetary framework.