

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

19 JANUARY 2021

### REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### PEST CONTROL CONTRACT

##### 1. Purpose of report

- 1.1 The purpose of this report is to provide Cabinet with the background, current position and options to determine the preferred way forward in terms of a pest control service.

##### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

##### 3. Background

- 3.1 In July 2017, an article appeared in a national newspaper with the headline “Bridgend is the most rat-infected place in Britain” ([Appendix 1](#)). However this was purely based on the number of pest control call-outs that are logged. At the time, Bridgend Council was one of the few local authorities who provided a free of charge service and therefore this meant that the number of reports were naturally higher compared to other authorities who charged for the service.
- 3.2 Currently, Bridgend Council offers residents a free of charge domestic pest control service for treatment of rats, mice, bedbugs and cockroaches and only charges for the treatment of fleas and wasps. The Council contracts with a private sector pest control operator to provide the pest control service. The current pest control contract commenced on 1<sup>st</sup> May 2017 for an initial term of 3 years with an option to extend for a further 12 months. The initial term expired on 30<sup>th</sup> April 2020, and the contract was extended to 30<sup>th</sup> April 2021. The contract was awarded to Mitie Pest Control but during the term of the contract Mitie Pest Control was purchased by Rentokil who assumed the rights and obligations under the agreement.

- 3.3 The existing contract is managed by Bridgend Council (Customer Services) but also includes a provision to carry out a sewer baiting programme. When Shared Regulatory Services (SRS) was established, the domestic pest control service and sewer baiting programme remained with Bridgend Council even though SRS also liaise directly with the pest control contractor to request sewer baitings in line with public health concerns. The sewer baiting programme is commissioned annually and is fully funded by Welsh Water.
- 3.4 The Operational Manager for Customer Services undertook a review in November 2020 across the other 21 Welsh local authorities to identify what domestic pest control service was offered to their residents. The results showed that 7 local authorities do not provide a pest control service at all, 11 local authorities charge residents for the treatment of all pests and 3 charge for all pests except rats. Three of the authorities who charge residents offered reduced charges to those residents who are in receipt of benefits.
- 3.5 The 'Shaping Bridgend's Future' 2019 public consultation sought to obtain views on specific budget reduction proposals across Council directorates and included a question to obtain residents' views on a pest control service. 58% of respondents stated that they were of the view that the Council is not best placed to provide a pest control service. Respondents were asked a supplementary question on whether the council should consider charging for these services. 24% of respondents agreed to charging for bedbugs compared to 22% for cockroaches and 19% for rats/mice. Only 16% of respondents to this question stated that the service should continue to be free to residents.

#### 4. Current situation/proposal

- 4.1 The current cost for the domestic pest control contract with Rentokil is £63,400 per year which covers providing treatment for rats, mice, bedbugs and cockroaches. There is an additional charge for the treatment of fleas and wasps, however these costs are fully recovered from residents as Bridgend Council charge for these treatments. The current cost excludes the cost of council officers' time that is needed in addition to support the provision of the service for residents.
- 4.2 The current cost for the sewer baiting programme is £16,474 per year, based on 2,500 baitings per year. In addition to this proactive baiting programme, SRS officers also submit a monthly sewer baiting list to the pest control contractor for inclusion in their programme areas where complaints have been received, allowing for a more targeted approach. This aspect of the service is fully funded by Welsh Water and is reviewed on an annual basis.
- 4.3 The current provider responds to all domestic pest control treatment requests within 3 working days. This is not ideal as it requires the resident to wait in for the visit as no day or time can be agreed in advance. Due to this, there is a high level of abortive call outs made as a result of residents not being at the property when the pest control technician arrives. Pre Covid-19, the level of abortive calls was 40%, however this has reduced to 20% during lockdown as more people remain at home.
- 4.4 The current domestic pest control contract costs are based on annual pest control activity between 2013 – 2016. Recent analysis shows that requests have increased by 47% since 2016 especially since the Covid-19 lockdown on 23<sup>rd</sup> March 2020 as more people are at home and seeing more pest activity than they usually would. The current pest control contract expires on 30<sup>th</sup> April 2021. Were the service to be re-tendered on the same basis, the future contract is likely to increase. To continue with providing a pest control service, based on a 47% increase in activity, the future contract cost is likely to increase to approximately £95,000 per annum.
- 4.5 This report is seeking to determine the preferred approach to be taken for a future domestic pest control service in Bridgend.
- 4.6 There are 3 potential options outlined in the table below:

Option	Cost/(saving)	Comments
1 – Discontinue providing a pest control service at the end of the current contract	(£63,400)	Discontinue providing a pest control service when the contract comes to an end in 30 <sup>th</sup> April 2021. Residents would engage directly with third party providers for this service going forward
2 – Re-tender contract to continue providing domestic pest control service and introduce charge to residents	£57,000 to £95,000 depending on drop in demand due to charges being introduced. This is before any income is netted off which will be dependent on the number of concessionary charges.	Continue to provide pest control service but introduce a charge to residents to offset the increased annual revenue costs

Option	Cost/(saving)	Comments
3 - Re-tender contract to continue providing domestic pest control service free of charge as per current contract	£95,000 (based on current pest control activity)	Continue to provide free domestic pest control service with a charge for the treatment of fleas and wasps

- 4.7 Option 1: discontinue providing the discretionary pest control service when the current contract ends on 30<sup>th</sup> April 2021. This will achieve a saving of £63,400 per annum. Discussions will need to take place with Welsh Water and SRS to make alternative arrangements with regards to the sewer baiting programme.
- 4.8 Option 2: continue to provide a discretionary pest control service to residents but introduce a charge for all services and offering a 50% concession to those residents in receipt of benefits i.e. council tax reduction or housing benefits.
- 4.9 Based on current pest control activity, it is likely the cost for this service will significantly increase to approximately £95,000 per annum. However, by introducing a charge to residents, income will be generated to offset the increased cost. The level of income will be fully dependent on the number of concessionary and full cost recovery charges.

Recovery charge	Cost of Service	Potential Income	Net cost to BCBC
50/50 proportionate split	£95,000	£71,250	£23,750
80/20 split in favour of concessionary charges	£95,000	£57,000	£38,000

- 4.10 Given the fact that nearly all pest control treatments provided by BCBC have always been free, it is envisaged that, by introducing a charge, demand for this service will reduce by between 20-40%. If the tender is awarded on a variable cost basis, then there is no change to the assumptions above as the contract price will be proportionately lower along with the reduced levels of income. However if the tender is a fixed cost contract, reduced demand will increase the gap needed to be funded from core Council budget.
- 4.11 Option 3: continue to provide a free discretionary pest control service to residents based on the current contract with a charge for treatment of fleas and wasps only. Based on the current pest control activity, it is estimated the cost for the service will increase to £95,000 per annum so additional revenue will need to be funded from core Council budget. Given the budgetary implications this option will have on other services, it is not recommended that Cabinet proceed with this option.
- 4.12 Both Option 1 and Option 2 entail a change in service provision and would be subject to the outcome of a public consultation exercise. Council officers would need to undertake a 12 week public consultation exercise to determine the views of residents to the proposed change and report the outcome of that consultation back to Cabinet to consider before a final decision is made.

- 4.13 Given the required timeframe for such a public consultation exercise and the time needed to reprocur the pest control service contract, contingency measures would now be necessary to continue the domestic pest control service until the outcome of the consultation exercise is known and a final decision can be made on how to proceed. To ensure service continuity in the meantime it is proposed that Cabinet suspend the relevant parts of the Council's Contract Procedure Rules requiring a competitive procurement exercise and agree to enter into a short term contract of 6 months with the current pest control service provider Rentokil.
- 4.14 Cabinet needs to be aware that awarding such a short-term contract to the current provider presents a risk of challenge from other providers of such services. The Council's Contract Procedure Rules ensures that procurement exercises are lawful and carried out in compliance with the Public Contract Regulations 2015. The report proposes entering into a contract with the existing service providers without any competition. This proposal breaches the requirements of the Public Contract Regulations 2015 and requires Cabinet's approval to set aside the Council's Contract Procedure Rules.

## **5. Effect upon policy framework and procedure rules**

- 5.1 Should Cabinet decide to proceed with proposed Option 1 or 2, this report requires the suspension of the Council's Contract Procedure Rules.

## **6. Equality Impact Assessment**

- 6.1 In developing these proposals, consideration has been given to the potential impact on people within the community with protected characteristics and on how to avoid a disproportionate impact on people within these groups. An Equality Impact Assessment (EIA) screening form will be completed to determine the need for a full EIA.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The table below details how this report aligns to one or more of the 5 ways of working and 7 Well-being of Future Generations Act goals:

Involvement	Consultation results have underpinned the residents' views on providing a pest control service
Long Term Prevention	Creating a safer living and working environment, enabling residents to enjoy opportunities within their local communities

A prosperous Wales	Helping local people
A resilient Wales	Supporting local people and communities
A healthier Wales	Supporting local people and communities in dealing with pest control activities
A Wales of Cohesive communities	Supporting communities

## **8. Financial implications**

8.1 The financial implications for each option is set out in detail in 4.6 and summarised below:

Option 1 : would achieve an annual saving of £63,400.

Option 2 : based on the current pest control activity, it is likely the cost for this service will significantly increase to approximately £95,000 per annum. The level of income will be fully dependent on the number of concessionary and full cost recovery charges. A proportionate split would achieve £71,250 in income, reducing the net cost of the service to the Council to £23,750. However, an 80/20 split in favour of concessionary charges, would reduce the income to £57,000 increasing the net cost of the service to £38,000.

If the tender is awarded on a variable cost basis, then there is no change to the assumptions above if demand decreases as a result of charges being introduced, as the contract price will be proportionately lower along with the reduced levels of income. However if the tender is a fixed cost contract, reduced demand will increase the gap needed to be funded from core Council budget. A further report will be presented to Cabinet on how any shortfall could be met, once the position is clear.

Option 3: based on the current pest control activity, it is estimated the cost for the service will increase to £95,000 per annum. Additional revenue will need to be funded from core Council budget. Given the budgetary implications this option will have on other services, it is not recommended that Cabinet proceed with this option.

8.2 Option 1 would see a decrease in the amount of council officer support that is currently required to administer this service. Depending on the structure of the tender, Options 2 and 3 would require additional council officer time to administer the scheme.

8.3 A proposal is included within the draft MTFs report that is being presented to Cabinet on 19<sup>th</sup> January 2021 in respect of savings arising from the proposal to withdraw the domestic pest control service and for service users to commission and pay for their own services. This savings proposal will be subject to the outcome of the public consultation and Cabinet approval.

## **9. Recommendations**

9.1 For Cabinet to:

- consider the options outlined in the report and determine the preferred way forward.
- Authorise Council officers to undertake a 12 week public consultation exercise on the preferred option and note that a further report will be presented to Cabinet setting out the outcome of that consultation exercise so that a final decision can be made.
- Approve the suspension of the relevant parts of the Council's Contract Procedure Rules in respect of the requirement as to re-tendering and authorise the Interim Chief Officer – Finance, Performance and Change to

enter into a short term contract of 6 months with the current pest control service provider Rentokil.

Gill Lewis

**INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE**

19 January 2021

**Contact officer:** Martin Morgans  
Head of Partnership Services  
**Telephone:** (01656) 642154  
**Email:** martin.morgans@bridgend.gov.uk  
**Postal address:** Civic Offices, Angel Street, Bridgend, CF31 4WB

**Contact officer:** Philip O'Brien  
Group Manager, Transformation and Customer Services  
**Telephone:** (01656) 643333  
**Email:** philip.obrien@bridgend.gov.uk  
**Postal address:** Civic Offices, Angel Street, Bridgend, CF31 4WB

**Background documents:**

None

## **RAT RACE** Bridgend is the most rat-infested place in Britain... but where does YOUR town come on the vermin hit list?

You're never far from a rodent in these 20 places

[josie griffiths](#)

25 Jul 2017, 16:16 | Updated: 25 Jul 2017, 16:30



YOU'RE never more than six feet away from a rat in London, according to the old saying, but it's not just Britain's cities which are infected with vermin.

The most rat-infested town in the country is, bizarrely, Bridgend in South Wales – but where does YOUR town come on the list?



The British Pest Control Association compiled a list of the 20 most rat-infested spots in 2015/16.

They based the figures on the councils who had the most call-outs per population size during the period.

And, surprisingly, the capital didn't even make the list. Here are the top 20 worst offenders...

### Britain's 20 most rat-infested areas

1. **Bridgend**: 2,849 call-outs, 20.47 per 1,000 people.

11. **Torfaen**: 985 call-outs, 10.82 per 1,000 people