

NAME OF SCRUTINY COMMITTEE	COMMUNITIES SCRUTINY COMMITTEE
DATE OF MEETING	10 October, 2017
TITLE	Pest Control Service's Income
CABINET MEMBER	Councillor Dafydd Meurig
PURPOSE	Update the Members on the progress in the efforts to generate more income over the last year

1. BACKGROUND

1.1 As part of the Regulatory Department's efficiency savings programme for 2015-18, a proposal was submitted to try to find savings by abolishing the Council's Pest Control Service.

1.2 In order to fully understand the implications, a report was submitted to the Communities Scrutiny Committee on 12 January 2016. The Committee was of the opinion that this is an extremely important service for the public and noted the main conclusions below:

- An important and vital service for the public - if it was not provided by the Council, there would be a risk that private companies could completely control the market by raising their prices and lead to higher costs for the public
- It is a reliable and quality service and the public have faith in the Council's ability to deal with such matters, often in situations that cause worry and concern to those enduring the pest at the time.
- Welcome the intention to market the service and look at the current fee structure
- Health and Safety implications to the public must be considered if the service is abolished - not only financial considerations.
- Several of the Council's internal services (e.g residential care homes and schools) rely on the Pest Control Service - if the service was abolished there would be a significant increase in costs for those services and would reduce the impact of any financial saving to the Council.

1.3 The main output of the scrutiny was a request to look at options to make the service financially self-sufficient, rather than abolishing it.

1.4 Subsequently, a further report was submitted to the Corporate Scrutiny Committee on 16 June last year, outlining a two year plan to try to create £40,000 of additional annual income. The recommendations were accepted, and as a result the Cabinet decided to increase the Service's income target rather than abolishing it.

1.5 The purpose of this report is to update the Members on the progress half way through the plan to increase income.

2. EXPLANATION OF THE NATURE OF THE PEST CONTROL SERVICE

2.1 The Public Protection Service employs four full time officers to act as Pest Control Officers / Animal Wardens. The officers spend 70% of their time providing a Pest Control Service, 20% of their time providing a statutory Dog Control service and 10% of their time working with Environmental Health Officers on statutory matters to prohibit noise nuisance and to protect public health.

2.2 The unit offers a pest control service by agreement to external and internal clients, in addition to approximately 2,000 calls annually for a responsive service to cull pests such as rats and mice, cockroaches, bed bugs, flees, grey squirrels, wasps, bees, ants, insects etc. Usually over 80% of the calls to the service are from individuals who need assistance in their homes. The Service is highly praised by customers.

3. OPTIONS TO MAKE THE SERVICE FINANCIALLY SELF-SUFFICIENT

3.1 Following detailed work to consider which options were possible to the Council, it was concluded that we would try to close the gap through a combination of the following:

3.2 **Review of internal contract fees** - Except for increases to meet inflation, the annual pest control contract fees for the Council's internal clients had not been reviewed for many years. As a result, many of them were considerably lower than what would be offered on the private market. This means that the income level is low and it would be possible to implement a reasonable increase as a contribution towards trying to increase income.

3.3 **Review of external contract fees and fees of the responsive Service** - - As with the internal contracts, the fees for annual pest control contracts with external clients had not been reviewed since 2011/12. It is acknowledged that we must strike a balance between increasing the fees to a level which fairly reflect the service received, with the need to be aware of the risk that increasing fees too highly could lead to customers looking for a service from others.

3.4 **Attracting new work through marketing** - From looking the Unit's staffing capacity, we were confident that more work could be done. We were also aware that we had not marketed the Pest Control service at all, and yet the public contact daily to request services, therefore it was fair to presume that we could attract new customers if we marketed would we could offer.

3.5 As with every other Service Unit within the Department, we were also mindful of the fact that detailed work had not been done to challenge the service delivery costs as it was. The Pest Control Unit had recently transferred to the care of the Property Service at the time and therefore it was a natural opportunity to look at every aspect of the way we provided the service.

4 THE SITUATION AFTER A YEAR

4.1 By September 2016, we had been able to introduce the new fees for every aspect of the work. The changes in fees has not led to any negative response from our customers and there is an impression that our fees continue to offer value for money and are competitive when comparing with the private sector.

4.2 We have also begun a marketing campaign, with support from the Communications Unit. Adverts have appeared in the press and in Newyddion Gwynedd. We have produced a marketing flyer which has been shared to local businesses which can now be seen on the counters of agricultural traders and building merchants. We have also been able to make extensive use of social media and our adverts continue to appear regularly on Twitter and Facebook.

- 4.3 Coinciding with the work to increase income, we have also been able to look at our working arrangements, and specifically the costs attached to them. We have changed the way we use software and have been able to reduce several of our historical costs. These savings of £7,500 have contributed to making the unit more financially self-sufficient and has slightly reduced the pressure of being completely reliant on increasing income.
- 4.4 We have not yet seen the impacts of these changes over the full financial year. However, we know that the changes for a period of a little over half the 2016/17 financial year lead to an income increase of around £ 10,000.
- 4.5 We can also see that the income from the first five months of this year are equally positive and were targeting to achieve the total income target.
- 4.6 There is therefore a possibility that we will have reach the goal of £40,000 by the end of this financial year, although we had originally decided that it would take two years to fully achieve everything.
- 4.7 It must be acknowledged that the work to reduce costs has contributed to our ability to achieve this which has not been generated only by an increase in income.
- 4.8 We must also be aware of the fact that the demand for our service could change over time. The demand is dependent on many factors beyond our control and therefore we have back-up plans which could increase our income if the work-flow was insufficient to enable us to generate the necessary income e.g. divert staff resources towards minor maintenance work to avoid paying others.

5. RECOMMENDATIONS

- 5.1 The Scrutiny Committee is invited to consider the contents of the report.