

LONDON BOROUGH OF CROYDON

To: Croydon Council website
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STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR HOMES & GATEWAY SERVICES ON 14 SEPTEMBER 2018

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012. Further to the associated public notice of key decisions no scrutiny call-in has been received, and therefore the following decisions can be implemented.

The following apply to the decisions listed below:

Reasons for these decisions: are contained in the Part A report attached

Other options considered and rejected: are contained in the Part A report attached

Details of conflicts of Interest declared by the Cabinet Member: none

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decision set out below:

CABINET MEMBER'S DECISION REFERENCE NO. 2618HGS

Decision title: Pest Control Collaboration Agreement

Having carefully read and considered the associated Part A report, including the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Homes & Gateway Services in consultation with the Cabinet Member for Finance and Resources has:

RESOLVED

In accordance with the Council's Financial Regulations 10.4, to sign off the collaboration agreement between the London Borough of Southwark and the London Borough of Croydon for the provision of pest control service.

Date: 25 September 2018

For General Release

REPORT TO:	Cllr Alison Butler, Cabinet Member for Homes and Gateway Services
SUBJECT:	Pest Control Collaboration Agreement
LEAD OFFICER:	Shayne Coulter
CABINET MEMBER:	Cllr Alison Butler, Cabinet Member for Homes and Gateway Services
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON: Liveability – creating a welcoming, pleasant place where local people want to live.	
FINANCIAL IMPACT The contract is estimated to cost £250,000 a year and £2.25 million across the 9 year term. The funding of this budget is split between general fund and HRA.	
KEY DECISION REFERENCE NO.: 2618HGS This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.	

The Cabinet Member for Homes and Gateway Services, in consultation with the Cabinet Member for Finance and Resources are asked to approve the recommendations below:

1. RECOMMENDATIONS

- 1.1 In accordance with the Council's Financial Regulations 10.4, are asked to sign off the collaboration agreement between the London Borough of Southwark and the London Borough of Croydon for the provision of pest control service.

2. EXECUTIVE SUMMARY

- 2.1 Croydon Council provide a Pest Control Service as part of their Landlord and public health function to tenanted and void properties in the borough. The contract is to deliver a pest control service to Croydon Council's housing stock and other specific residential premises within Croydon Council's property portfolio such as;

- The Gypsy and Traveller Site at Latham's Place which provides 16 caravan plots
- Any Croydon Council Social Services residential care homes that may require pest control treatment from time to time

- Children's care homes
 - Croydon Council garages
- 2.2 If private residents call Croydon Council requesting a pest control referral, they will be offered the opportunity to book an appointment with the preferred bidder however they are not obliged to use Southwark's pest control service and are free to obtain quotations from other contractors. Any income derived from private pest treatments is retained by the service provider.
- 2.3 The service can be broken down into two categories;
- Reactive ad hoc (Croydon Council owned properties and private residential properties)
 - Planned Block treatments (Croydon Council owned blocks only)
- 2.4 The current pricing structure for this contract, means that the Council's budget is available to cover the free rat treatment (only for rats inside the home – there is a charge for rats in gardens) element of the tender; free treatments for council tenants and block treatments.

3. DETAIL

- 3.1 The Council, using regulation 12(7) of the PCR 2015, to enter into a collaboration agreement with the London Borough of Southwark for pest control services. Regulation 12(7) governs contracts which establish or implement co-operation between contracting authorities and required that the following conditions are met:
- a) the contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;
 - b) the implementation of that co-operation is governed solely by considerations relating to the public interest; and
 - c) the participating contracting authorities perform on the open market less than 20% of the activities concerned by the co-operation.

The Council is of the view that a collaboration arrangement with Southwark Council will enable both boroughs to ensure provision of high quality pest control services, with a joint approach ensuring efficiency of service delivery and sufficient volume of activity to generate cost savings. Furthermore, a collaboration will enable sharing of operational overhead costs in respect of vehicles, management and staffing, and specialist equipment which provides efficiencies for both boroughs.

- 3.2 Collaboration will operate in the following way:
- A Joint Board Meeting will be set up with Croydon and Southwark for the Pest Control services. Joint Board Meetings will be held every 2 months to discuss routine work, blocks recommended for block treatment (as early intervention is more cost effective) and any problem jobs or other issues
 - A set of comprehensive KPIs which exist already, will be built upon with both local authorities and these will be discussed at the joint board meetings

- The collaboration will allow for a most transparent discussion about actual costs of the service. This will also be discussed at the Joint Board Meeting.
- Croydon Council will provide Southwark with an updated asset list (council owned properties) each month so they can keep their booking site up to date (as most treatments for council tenants are free of charge)
- Croydon will notify Southwark of major events, incidents or other issues which may lead to road closures so that they can plan their visits accordingly
- Croydon will also provide other local knowledge to Southwark to ensure a smooth running service for both Councils and allow a wider knowledge base to pull from.
- Croydon will arrange collaborative visits with tenancy if vulnerable tenants are involved to facilitate access for Southwark's technicians
- Southwark will provide witness statements and attend court on behalf of the council in cases of legal challenge and/or to apply for warrants where entry has been refused
- Joint discussions will take place about prospective block treatments to ensure early intervention and programming of blocks in the same areas at the same time to ensure cost-effectiveness
- Southwark will notify us of any issues – eg poor hygiene, lack of access, signs of sub-letting, vulnerability of tenants, children's safeguarding concerns etc – to enable Croydon to act accordingly
- Southwark will provide Croydon with detailed information about cases where Croydon Council have received a complaint to enable a full response to be sent to the complainant
- Southwark will provide training programmes for Croydon staff
- Southwark will attend tenant/leaseholder meetings with Croydon Council as required

3.3 Through the collaboration agreement both Council's will hope to share operational overhead costs in respect of vehicles, management and staffing, and specialist equipment. If both Councils had separate agreements, they would be paying for overheads through the contract cost with a private sector provider.

3.4 The agreement will last for 9 years, 5 years plus two 2 x 2 years' extensions (5 + 2 + 2), with a cost of £2.25 million across the term.

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated with call off from this framework.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report	250	250	250	250
Expenditure				
Income				
Remaining budget	_____	_____	_____	_____
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	_____	_____	_____	_____

2 The effect of the decision

The contract is estimated to cost £250,000 a year and £2.25 million across the 9 year term. The funding of this budget is split between general fund and HRA as per the split in the table above, which shows the lifetime position.

3 Risks

There are no financial risks foreseen with this contract.

4 Options

Section 12 below sets out the options considered and rejected.

5 Future savings/efficiencies

No savings identified but there has been a consistent budget for the past few years with consistent performance. Southwark is good value compared to the wider market.

6 Approved by: Felicia Wright, Department Head of Finance

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 There are no comments from Solicitor to the Council.

Approved by: Sean Murphy, Head of Commercial and Property Law and Deputy Monitoring Officer on behalf of the Director of Law and Monitoring

Officer

7. HUMAN RESOURCES IMPACT

7.1 There are no comments from Human Resources.

Approved by: Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EqIA has been completed (May 2011) and reviewed in early 2018. A full impact assessment was not needed due to:

- 1) The service is delivered according to housing tenure, not type of tenant or resident.
- 2) Southwark, as part of the tender process, answered the required equality questions. In addition they were specifically asked via method statements during the tender process how they would deliver the service to Croydon's diverse residents. A copy of their response is attached.

The service is not changing, therefore no need to do another assessment.

9. ENVIRONMENTAL IMPACT

9.1 Pest control and environmental cleanliness go hand in hand and successful operation of this contract and pest eradication will depend on building relationships with colleagues in housing management and Environmental Services.

9.2 This contract supports Croydon's priorities of a commitment to improving the environment and health and well being of its residents.

9.3 All the pesticides that will be used are monitored by the HSE regarding registered products for the use in the pest control industry and all spent pesticides and containers for these will be disposed of through Southwark's suppliers who offer this as a free service, and this will be recorded in waste transfer notices. Chemicals will be stored and used in accordance with COSHH guidelines.

9.4 All staff in Southwark currently under go training to the BPCA (British Pest Control Association) standard, this course is the industry recognised course and on passing a diploma in pest control is given.

9.5 Working practices - again these fall into line with those recommended by the BPCA, for example no pesticide can be applied unless evidence of pests are present in the dwelling this include things like bed bugs etc and this ensures the correct use of pesticides and prevention of over use which has major environmental impact.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder reduction impacts from this service.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 Croydon Council want to continue to work with the London Borough of Southwark in a collaboration agreement (preferred option) – both parties are working towards cost savings and efficiencies, and together through a collaboration can achieve economies of scale.

12. OPTIONS CONSIDERED AND REJECTED

12.1 The options that have been considered are:

- Option 1 – bring the service in house – there is minimal benefit in bringing this service in house without a collaborative approach with another authority. The service for the Council alone would result in a significant increase in cost due to the need for a new staffing structure and the requirement to purchase vehicles and specialist equipment.
- Option 2 – go out to tender for a traditional form of contract – the current pest control market (who can deal with the volume Croydon requires) has only a handful of providers. Market analysis shows that the main supplier in the pest control market charges more (double in some cases) than LB Southwark in all 9 elements of the contract and the opportunities for public sector to public sector collaboration may not materialise through this route.
- Option 3 – continue to work with LB Southwark through development of a collaboration agreement (preferred option) – both parties are working towards cost savings and efficiencies, and together through a collaboration can achieve economies of scale whilst also sharing learning and best practice to collectively improve services.
- Option 4 – do nothing - The current pest control service is coming to the end of the contract, in October 2018. Although the pest control service is not a statutory service, if the Council did not provide pest control it could result in public health and environmental issues for the borough.

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BACKGROUND DOCUMENTS: None