

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR ENVIRONEMENT

**REPORT OF THE ASSISTANT DIRECTOR OF ENVIRONMENT
AND REGULATORY SERVICES**

Report prepared by Martyn Jeynes

Date Issued: 09 December 2010

1. FEES FOR PEST CONTROL SERVICES 2010/11

1.1 Key Issue for Decision

1.1.1 To consider a proposed increase in fees for pest control service delivered by Absolute Pest Control on behalf of the Environmental Enforcement Team for the financial year 2010/2011.

1.2 Recommendation of the Assistant Director of Environment and Regulatory Services.

1.2.1 That the Cabinet Member for Environment agrees revised fees for the remainder of the financial year 2010/2011 for pest control services provided by the Environmental Enforcement Team as detailed in the body of the report.

1.3 Reasons for Recommendation

1.3.1 Since 2009 the provision of Pest Control in Maidstone has been provided by Absolute Pest Control.

1.3.2 As part of the original tendering exercise and within the resulting contract, the prices were set following a benchmarking exercise which determined the pricing level of the various services provided.

1.3.3 The original prices agreed for the service included VAT at the 2008-2009 reduced VAT rate of 15%. The prices were then increased in May 2010 to reflect the national VAT rate returning to 17.5%.

1.3.4 Table 1 shows the current prices as advertised on the council's website.

Table 1

Description	Charge (£) *	Comments
Hourly charge for treatments carried out on industrial and commercial properties	62.00	N/A
For treatments outside of normal office hours	93.70	N/A
Charge per visit for the treatment of wasps nests carried out on domestic properties	44.40**	Per visit charge
Additional nests treatment	7.90	Additional nests treated on same visit
Charge per visit for the treatment of rat and mouse nests carried out on domestic premises	21.95	Per visit charge (minimum of two visits)
Minimum charge for the treatment of ants carried out on domestic premises	21.95	Per visit charge
Minimum charge (including up to six rooms) for the treatment of fleas, bedbugs and other household pests carried out on a domestic premises	52.30	Subsequent minimum charge will apply for further treatments after a period of 14 days has elapsed
For each additional room (up to four rooms additional)	9.75	As above
Documentation charge added to charges above where it is necessary to send an invoice for payment.	28.60	N/A

* Charges Include VAT

** Wasp nest requiring treatment using a ladder/tower scaffold will require a survey as a surcharge may be applied

1.3.5 On 22nd June 2010 the Chancellor George Osborne announced in his emergency budget speech an increase in January 2011 of the VAT rate to 20%. Therefore it is proposed to increase the pest control service prices from the 1 January 2011 to reflect this increase in VAT until 31st March 2011 and the end of the existing contract.

1.3.6 Increasing the VAT rate in line with national rates will enable Absolute Pest Control to maintain their service in line with their costs which will increase due to the VAT increase.

1.3.7 As part of the contract agreement Absolute Pest Control pays an annual fee in quarterly instalment. Environmental Enforcement will increase the VAT cost of the remaining invoice issued to Absolute Pest Control Services in line with the increase in VAT.

1.3.8 Table 2 shows the proposed pricing structure for the service until the end of March 2011.

Table 2 Prices January 2011 to March 2011

Description	Charge (£) Including VAT	Comments
Hourly charge for treatments carried out on industrial and commercial properties	63.35	N/A
For treatments outside of normal office hours	95.70	N/A
Charge per visit for the treatment of wasps nests carried out on domestic properties	45.35	Per visit charge
Additional nests treatment	8.10	Additional nests treated on same visit
Charge per visit for the treatment of rat and mouse nests carried out on domestic premises	22.45	Per visit charge (minimum of two visits)
Minimum charge for the treatment of ants carried out on domestic premises	22.45	Per visit charge
Minimum charge (including up to six rooms) for the treatment of fleas, bedbugs and other household pests carried out on a domestic premises	53.45	Subsequent minimum charge will apply for further treatments after a period of 14 days has elapsed
For each additional room (up to four rooms additional)	10.00	As above
Documentation charge added to charges above where it is necessary to send an invoice for payment.	29.20	N/A

* Charges Include VAT

** Wasp nest requiring treatment using a ladder/tower scaffold will require a survey as a surcharge may be applied

1.4 Alternative Action and why not Recommended

1.4.1 The fees could be left at current VAT levels. This is not recommended as it is felt that the increase in VAT will increase the cost of delivering the service for both the contractor and the council.

1.5 Impact on Corporate Objectives

1.5.1 The process of reviewing fees is essential to ensure that operational costs are recovered and that Council budgetary objectives are met.

1.6 Risk Management

1.6.1 There is a risk that service users could object to the increases. The fees, however, relate to non statutory services and users are not required to take up these services. Neither is the Council required to offer these services.

1.6.2 There is a risk that income could be reduced as a result of services not being requested. Careful budget monitoring will enable us to determine if this happens and if necessary the fees could be further revised. The financial risk is not considered to be significant.

1.6.3 The Council and the contractor will need to ensure that all the appropriate marketing material and the website is updated to ensure that customers are aware of the latest costs.

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.7.2 The provision of Pest Control is a source of income for the authority and enabling the contractor to maintain its profit margins will ensure the service remains beneficial for both parties.

1.7.3 Appendices

None

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

November 2010

This is a Key Decision because: ...Fees and Charges

Wards/Parishes affected: All

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

Cllr Ben Sherreard

Cabinet Member for Environment

Telephone: 01622 602000

E-mail: bensherreard@maidstone.gov.uk

Martyn Jeynes

Environmental Operations Manager

Telephone: 01622 602110

E-mail: martynjeynes@maidstone.gov.uk