

## Agenda Item 24

**Cabinet**

**27 November 2013**

**JW**



### **Dog Warden Service and Car Parks Cash Collection Service**

#### **Exempt Information**

Para 3 Schedule 12A Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### **Summary**

The Council's Dog Warden and car park cash collection services have traditionally been delivered by separate contractors. The combined cost of services provided by Animal Wardens Limited for dog warden services and Contract Security Limited for cash collections last year was £108,541. The budget for the current financial year is £134,830 and the expenditure at the half-year point was £55,395. Both contracts have now expired and have been extended pending review. This report outlines our approach to testing the market for these contracts and proposes an in-house alternative.

To fulfil the need to obtain value for money and continuously improve services, a specification and tender document for the Dog Warden service has been drawn up and sent out to the market in accordance with our procurement policy. We have used an approved local authority framework agreement to obtain a competitively tendered price for providing our cash collection services.

This report sets out an assessment of both the external service provider option and the delivery of both services by a unique in-house team. The conclusion is that the in-house alternative will offer customers a better overall level of service and will cost slightly less than outsourcing the services separately

#### **Recommendation**

- 1. To authorise the Chief Executive and Environment Portfolio Holder to establish a new team within the Environmental Health and Parking Service to deliver both dog warden and car park cash collection services.**
- 2. To authorise the appointment of Barn Close Kennels as the Council's kennelling and out-of-hours service provider.**

#### **a) Reasons for Recommendation**

To deliver a high quality service that benefits from the efficiency savings achieved by being able to deliver both services via a single in-house team that is capable of being more flexible and responsive.

**b) Alternative Options**

It would be possible to enter into contracts with separate external service providers in compliance with our own procurement policy. However the Council now has a unique opportunity to deliver both services via a single in-house team and the alternative outsourced option does not represent the most economically advantageous option and would also deliver a lower level of service.

**c) Risk Considerations**

The Council is legally obliged to provide a service that deals with stray dogs, dangerous dogs, licensed boarding and breeding establishments and one that responds appropriately to complaints about dogs causing a nuisance. The Council also chooses to proactively take steps to deal with irresponsible dog owners via a programme of promotional and educational activities and the enforcement of Dog Control Orders. The Council relies on car parking revenue to deliver key services and around £2,500,000 of this revenue needs to be processed from the coins our customers pay into car park pay-and-display machines through to our bank account. The failure of these services would have serious legal, financial and reputational consequences.

**d) Policy and Budgetary Considerations**

The proposal will fulfil the Council's statutory duties, enable Officers to provide a service that is flexible and responsive to local need, it will protect our revenue and is likely to save money.

**e) Date for Review of Decision**

October 2014

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**1 Introduction**

- 1.1 Officers have reviewed both the dog warden service and the car parks cash collection service and the findings are as follows:

**2. Dog Warden Service**

- 2.1 Animal Wardens Limited provide our dog warden services. They started on 1st November 2007 and the contract was initially for three years but we included an option to extend for up to three more years and that option has now been fully utilised. The budget for 2013/2014 is £60,600. The actual cost of the service last year was £51,558.45 and at the half way point this year we have spent £34,486. This is slightly misleading due to the timing of transactions around the end of the 2012/13 financial year and in reality the annual expenditure over the two years will have been of the order of £110,000 to £120,000.
- 2.2 Animal Wardens Limited employ one full-time locally based Dog Warden to service our contract. We know that at times the demands on this service can be more than one person can deliver efficiently and effectively. This is in part due to the size and rural nature of the district.

When this warden is on annual leave (or sick) either a replacement warden provides temporary cover, or for short periods of time arrangements are sub-contracted to the proprietors of a local boarding kennel who simply collect or receive “found” stray dogs in compliance with our minimum legal duty. During such times no additional work (response to customer complaints, promotional and educational activity or preventive patrols) is being carried out.

- 2.3 The service has met minimum standards but there have been a number of issues specifically concerning communications and employee turnover has been relatively high (we have had five different wardens in five years) and Officers feel that we should now take this opportunity to review the way in which this service could be delivered.

### 3. Cash collection service

- 3.1 Contract Security Limited collects cash from our car park ticket machines and they do this according to an agreed collection rota based on the cash payments we predict in advance. The contract has been in place and working well since 28th May 2008, initially for a three year period and the now operates on a month by month basis.
- 3.2 Unfortunately we incur additional costs in having to request additional collections if cash takings go up because visitor numbers have been higher than expected. We also incur the cost of unnecessary contracted collections in circumstances where cash receipts are lower than anticipated.
- 3.3 In summary, Contract Security has delivered an excellent service. The budget for 2013/2014 was set at £74,230 and the actual cost of the service was £56,982.41. The year to date cost April 2013 to September 2013 is £20,909.

### 4. Cost of delivering services in 2012/13

4.1

Dog Warden Service	Contract Security	Total
£51558.45	£ 56982.41	£108,540.86

### 5. Tendering of the Dog Warden Service

- 5.1 An updated Dog Warden specification, Pre-Qualification Questionnaire and Invitation to tender has been sent out to the market. The specification sets out the level of service we expect to ensure that we meet not only our statutory obligations but also address local priorities in respect of stray dogs and dog fouling, dangerous dogs and animal welfare, licensing, education and promotion of responsible dog ownership, micro chipping, and following up reports of lost and found dogs.
- 5.2 Although the availability of the contract was advertised nationally, disappointingly just two duly completed tenders were received and it is necessary to note that under contract standing orders, the Council would need to agree to an exemption in order to proceed with the appointment of a contractor on this basis.

- 5.3 The most economically advantageous price for providing the service has been determined by an Evaluation Panel and this is the tender of **£49,675** per annum submitted by our existing contractor, Animal Wardens Limited.

## 6. Tender prices

6.1

Dog Wardens Ltd	Dog Control Services Ltd
£49,675	£ 106,470

## 7. Tendering of the Cash Collection Service

- 7.1 We were advised by our procurement Officer that it was unnecessary to go through a formal tender process for the Cash Collection service as a national local authority framework agreement had already been developed by the Yorkshire Purchasing Organisation (YPO) for this purpose. We understand that YPO went through the full OJEU procurement procedure in setting up this framework so that other local authorities can now make use of it and avoid unnecessary bureaucracy.
- 7.2 YPO has established a framework of approved contractors who are now eligible to supply secure Cash Collection and Cash in Transit services for local authorities in accordance with agreed an agreed pricing structure and service specification. This service specification comprises secure collection, processing and consolidation and onward depositing of negotiable and non-negotiable money to high street banks, nominated cash receiving facilities, or other suitable receiving locations as specified in the tender documents and we believe it is satisfactory for our purposes.
- 7.3 Using their initial screening process, YPO invited two companies, G4S and Loomis to carry out a mini-tender exercise based on more detailed data supplied by us. YPO then notified us that only G4S wished to continue in the process and they have submitted two options for us to consider.
- **Option 1** is to provide a service that will cost £66,893.18: For this they will deliver the service exactly as requested by us. It includes collections from car parks on 6 days per week in the summer and 4 days per week in the winter, and each week always includes a Saturday collection.
  - **Option 2** is to provide a service that will cost £45,262.54: This is an alternative that G4S has asked us to consider. They have identified potential cost savings by changing the number of collection days to fit in with their existing commitments, which is of course on the face of it, very sensible. However collection days have been reduced to just 4 days per week all year round and is generally avoid most of the Saturday collections, which for us is often our most important collection day of the week.

- 7.4 Our assessment of Option 2 is that this would not be adequate to meet our operational needs simply in that it is likely to fail to keep our pay-and-display machines working. In our experience our visitor patterns are such that pay and display machines are likely to become full to capacity and unable to accept further payments during Saturdays or Sundays. Therefore only Option 1 with a price of **£66,893.18** per annum has been used.

## 8. Proposal for an in-house service

- 8.1 To employ two full time equivalent Officers who will each operate as a flexible multi-skilled part-time Dog Warden and part time Cash Collector. At this stage the work-In-progress job title might be Environment Warden, Technician or Technical Assistant. Day to day operational management will be carried out within the existing Environmental Health and Parking Services Team structure and it would be a genuinely shared service. The detailed operational arrangements are at present in draft form but we envisage that these officers will work on a shift pattern and the service will be capable of delivering a range of dog warden services throughout an extended working day. Within that working day the two officers will team up to carry out their cash collection duties, the exact details of which will be specified by the Parking Team's Assistant Manager (Operations) following his daily scrutiny of the exact contents of the cash box of each pay-and-display machine. Additional capacity will be provided via the existing car parks CEOs on a part time basis (approximately 2 half days per week).

## 9. In-house costs

- 9.1

<b>Employment Costs based on 2 x officers on Grade 4</b>	£46,000
<b>On-costs (25%)</b>	£11,500
<b>Planned Over time</b>	£3,000
<b>Estimated costs for ICT, equipment,</b>	£2,290
<b>Part time CEO cover 20%</b>	£6,000
<b>Total per annum</b>	<b>£68,790</b>

- 9.2 We are of the opinion that it is likely that the Transfer of Employment (Protection of Employees) Regulations (T.U.P.E.) or the provisions of the Acquired Rights Directive may apply to the work of the dog warden and the warden presently employed by Animal Wardens Limited is therefore likely to be entitled to transfer to us. Contract Security has advised us that they do not believe that there will be a T.U.P.E. transfer from their staff so that post would be the subject of a recruitment exercise.

## 10. Vehicles

10.1 At this stage we estimate that both Officers will need the use of a van:

Vehicle cost	Per annum
Lease Cost x 2	£11,100
fuel/ other running costs	£8,000
Insurance	£900
Fitting out with Dog Cages	Included in price
<b>Total</b>	<b>£20,000</b>

## 11. Kennels

11.1 Arrangements are being made to enter into a contract directly with the proprietor of a local boarding kennels to provide a service for the receipt and kennelling of collected stray dogs and for the collection of “found” stray dogs outside the service’s normal hours of operation

11.2 Three competitive quotes for the provision of these services have been received. Barn Close Kennels in Dunkeswell have offered to provide the services we have requested for **£18,615** per annum. Drum Kennels in Sidbury have submitted a price of £27,230 and Foredown Kennels in Newton Abbot have submitted a price of £44,750.

## 12. Assessment

12.1 Foredowne Kennels is a business that we know well and they already provide similar services for other local authorities including Exeter, South Hams and Teignbridge Councils.

12.2 Drum Kennels is a smaller business that currently provides sub-contracted services for us via Animal Wardens.

12.3 Barn Close Kennels appears to be an established business that at present does not offer any services to Local Authorities and mainly operate a direct re-homing service. They are however very keen to enter into a contract with East Devon District Council for this type of work and our Environmental Health Officer considers them to be capable of providing the services we require.

### 13. Proposed Contract with Barn Close Kennels

- 13.1 Our data suggests that it is going to be advisable to retain the use of two kennels on a permanent basis for stray dogs in custody. We have estimated that the kennels might have to deal with up to 2 stray dogs per week. The submission from Barn Close Kennels indicates that they are willing and able to provide the services that we require for **£18,615** per year and it is therefore recommended that we enter into a contract with Barn Close Kennels.

### 14. Counting cash and banking

- 14.1 We have entered into negotiations with Teignbridge District Council and we are in the process of drafting a service level agreement that provides for Teignbridge District Council to receive our collected case and to carry out our counting service and banking. They already provide this service for other local authorities at their local centre in Newton Abbot. It seems likely that the cost of counting and banking our cash based on around £2.5 to £3 million in coin per year will be **£7,100** per annum.

### 15. Cost Comparison

Services	Annual Cost
Lowest price Dog Warden tender	£49,675
Acceptable G4S cash collection tender	£66,893
<b>Cost of both contracts</b>	<b>£116,568</b>
<b>In House option:</b>	Employment costs £68790 Vehicle costs £20,000 Kennel costs £18,615 Cash counting and banking £7,100 <b>£114,505</b>

### 16. Consideration of advantages and disadvantages

- 16.1 As you would expect we have given some thought to the risks and benefits of these two options. Although savings to East Devon District Council for delivering both services will be of the order of £2,000 per year, there are always other issues to consider.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>This will be a more flexible, responsive service.</li> <li>There will be two full time employees to share and develop the dog warden function to provide enhanced promotion and education activities, especially so during the autumn and winter months.</li> </ul>	<ul style="list-style-type: none"> <li>The management risks currently carried by the contractors will pass to the Council, including:</li> <li>The need to make and maintain a relationship with local boarding kennels to ensure there is always somewhere available that can accommodate stray dogs in custody</li> <li>The need to continue to meet our legal obligation to collect (or provide</li> </ul>

<ul style="list-style-type: none"> <li>• A more visible dog warden patrol and enforcement service with no cost increase</li> <li>• An improved cash collection service with the elimination of the waste associated with unnecessary cash collection journeys.</li> </ul>	<p>a place to receive) all stray dogs found in the district.</p> <ul style="list-style-type: none"> <li>• The need to provide someone to collect and bank cash in the event of both planned and unplanned staff absences.</li> <li>• The risk that the contract with Barn Close Kennels ends or that performance proves to be unsatisfactory and significantly more expensive arrangements need to be entered into with another provider to meet our statutory duties.</li> <li>• The risks associated with finding somewhere to accept, count and bank £2.5million+ in coins if the arrangements with Teignbridge District Council fail</li> </ul>
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## 17 Conclusion

- 17.1 The in house option does offer the Council an opportunity to begin to act in a more flexible and responsive way and to break down some of the traditional departmental barriers. The concept of a multi-skilled dog warden / cash collecting Officer does not require an unreasonable set of skills and draft job descriptions have already been prepared. An in-house service will not save significant amounts of money but for no cost increase the quality of service will be significantly enhanced.

### Legal Implications

There are no legal implications on which to comment as the procurement requirements have already been complied with.

### Financial Implications

In-House service proposal – The two proposed posts would need to follow the JE process to confirm the grade & SCP payable.

Insurance implications & costs will need to be investigated.

2014/15 budgets for the Cash collection & Dog Wardens are subject to the current budget process to be agreed by cabinet in the New Year.

### Consultation on Reports to the Executive

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### Background Papers

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