

**Decision Maker:** **Public Protection and Safety Portfolio Holder**

**For Pre-Decision Scrutiny by the Public Protection and Safety PDS on 29 June 2017**

**Date:** **29 June 2017**

**Decision Type:** Urgent                      Non-Executive                      Key Non-Key

**Title:** **Gate Zero Report – Animal Health & Welfare Service.**

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**Chief Officer:** Dan Jones - Director Environment and Community Services  
Nigel Davies – Executive Director of Environment and Community Services

**Ward:** All

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**1. Reason for report**

- 1.1 The current waiver from the Councils Corporate Procurement Rules (CPR) for the service agreement with the City of London Veterinary Service (CoLVS) came to an end on 31 March 2017, although by the nature of this agreement the service is provided on a rolling basis until either party serves 3 months' notice to terminate, the Council needs to formalise the arrangement.
- 1.2 This report therefore seeks approval to continue to use the CoLVS for the provision of the Councils statutory duties relating to a range of animal health and welfare legislation, for a period of 3 years with an option to extend for a further 2 years for the reasons set out in this report.
- 1.3 The value of the proposed contract is below the relevant threshold value for the application of the Public Contracts Regulations 2015; however the contract is covered by the Council's CPR (Corporate Procurement Rules) and can therefore be agreed by way of a waiver. As the current waiver has ended and was not signed off six months before March 2017, the report is seeking Portfolio Holders approval. The report was agreed by the Commissioning Board on 12 June 2017.
- 1.4 This report also provides information why it is not considered economical or necessary to go out to the market through a tender exercise.
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## **2. RECOMMENDATION(S)**

The Portfolio Holder is asked to:

- 2.1 Agree to this contract being exempt from the formal tender process for the reasons set out in this report.
- 2.2 Agree to continue to use the services currently provided to the Council by the CoLVS under a formal arrangement for a period of 3 years with the option to extend for a further 2 years with authorisation delegated to the Executive Director of Environment and Community Services.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
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## Corporate Policy

1. Policy Status: Not Applicable:
  2. BBB Priority: Excellent Council Quality Environment Safe Bromley Vibrant, Thriving Town Centres Healthy Bromley:
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## Financial

1. Cost of proposal: Estimated Cost £76k - based on a 3 year agreement with the option to extend for a further 2 years, although the majority of this (£60k) will be recovered via licence fee income.
  2. Ongoing costs: Recurring Cost Net £2k as income from licences covers £12k of the £14k cost
  3. Budget head/performance centre: Licensing – Veterinary Service
  4. Total current budget for this head: £14k and Cr £12k.
  5. Source of funding: Existing revenue budget 2017/18
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Statutory Requirement: The Council has responsibility for the administration and enforcement of a range of statutes relating to animal health and welfare. These have been exercised through the CoLVS for over 30 years.
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Up to 200 licenced premises, farms and animal keepers in the Borough benefit from the service.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

#### **BACKGROUND**

- 3.1 The Council has a range of statutory responsibilities to enforce animal health and welfare legislation including licensing and farm welfare / disease prevention. (See appendix 1 for a detailed list of responsibilities).
- 3.2 The CoLVS operates an open framework to provide specialised services on all matters relating to animal health and welfare on behalf of Local Authorities who are the enforcing authority.
- 3.3 Under this framework the CoLVS carries out visits on behalf of Local Authorities across London and the Home Counties, including the investigation of suspected cruelty or neglect of animals. They also work with the Department for Environment, Food and Rural Affairs (DEFRA) to enforce legislation governing the health and welfare of farm animals. This includes responding to complaints of neglect or ill treatment of livestock on farms, during transport and at markets, Sheep dipping, Infectious disease control and Pig movement orders etc. For more details see the Specification in Appendix 1.
- 3.4 The service provided by the CoLVS is almost cost neutral as the cost of the licensing inspections are recovered as part of our licence fee. The Council only pay for services relating to complaint investigation, animal health work on farms and contingency planning e.g. rabies as outlined in paragraph 3.3 of this report. In 2016/17 the non-recoverable costs were approx. £2k
- 3.5 The CoLVS team consists of qualified, experienced and approved Veterinary Surgeons and Animal Health Inspectors. . The Council does not have the in house expertise in this area and has authorised the CoLVS to act on our behalf and report back with recommendations for action and enforcement where necessary for over 30 years. .

#### **CONTRACT HISTORY**

- 3.6 Bromley has been contracting with the CoLVS for this service for over 30 years. An agreement to provide the service was last formally renewed in 2009 with the provision that it continued until either party gives 3 months' notice to terminate.
- 3.7 For the last 3 years the provision of the service was subject to an exemption (waiver) under CPR 13.1 from a formal tender process. The service is below the threshold for public to public contracts under the Public Contracts Regulations 2015 so is not subject to the Public Procurement rules. It is a highly specialised service, of deminimums value and it would be uneconomical to go through a tender process.
- 3.8 Historically the Contract has been extended and agreed through the waiver process since 2012. The last waiver was obtained in 2014 and that waiver expired on 31 March 2017.
- 3.9 An application for a further waiver was declined in April 2017 as the period had expired and under the current CPR rules the renewal or extension of the waiver should have been sought 6 months earlier. In addition to that there were concerns raised around the cummalative value as this would be well over £50k. It therefore requires PP&S Portfolio Holder approval.

### **4. SERVICE PROFILE / DATA ANALYSIS**

- 4.1 Each year the CoLVS publishes a schedule of rates for the various functions that it offers. During the course of the year the Council uses the services as required based on planned and reactive work.

- 4.2 Examples of planned work include the inspection of licenced premises for the grant renewal or variation of a licence e.g. kennels, catteries, pet's shops or riding stables. The inspection is requested by the Councils licensing team on receipt of an application.
- 4.3 The CoLVS also undertakes a range of work to enforce animal health & welfare to other non-licenced premises, such as farms on a risk basis. Other specialist functions are supplied relating to the control of animal diseases and supports the Council's planning and response to outbreaks such as foot and mouth disease, avian, flu and rabies.
- 4.4 Reactive work would include complaint investigation but this would only happen at the specific request of the Council

## CURRENT ACTIVITY 2016 - 2017

**Table 1**

Inspection / work area	Number of premises in Bromley 2016/17	Number of Premises inspected 16/17
Registered dog sitters	6	6
Animal boarding establishments	17	16
Farms / Animal keepers ( costs not recovered through licence fees)	64	8
Dog breeders	4	4
Performing Animals	1	1
Pet Shops	12	11
Riding Establishments	6	6
Zoo	1	1
<b>Total</b>	<b>111</b>	<b>53</b>

- 4.5 The CoLVS only undertake licensing related work and complaints at our request. The costs are recovered via the licence fees. In addition an annual fee of up to £2k is paid which covers complaint investigation, emergencies and other unplanned requests for advice or inspections.
- 4.6 The 53 inspections represent all but one of the licenced premises. This includes 8 of the 64 farms and animal keepers. Costs associated with farms and animal keepers cannot be recovered, however this element of the work is undertaken on a risk based. For information, if all the farms / animal keepers were visited annually it would add a further £12k to the cost of the service.

## 5. CUSTOMER PROFILE

- 5.1 The animal health and welfare service is limited to those people who require a licence or permit to operate e.g. animal boarding establishments, pet shops, riding establishments, owners of dangerous wild animals and a range of commercial and non-commercial animal keepers / farms. The numbers of service users remains broadly constant year on year.

## **6. MARKET CONSIDERATIONS**

- 6.1 The type of service currently provided by the CoLVS is highly specialised requiring both veterinary and animal health expertise as well as advising the Council on national and international animal law. It was for these reasons that the provision of the service has previously been exempt from the usual CPR procedures and granted a waiver.
- 6.2 The CoLVS under their framework currently provide a full animal health and welfare service to 18 of the 32 London Boroughs, and a partial service to 11 of them. They provide no service to three of them. They are also working with two Boroughs in Kent.
- 6.3 Two of the three boroughs that do not use the CoLVS at all are the London Borough of Brent and Tower Hamlets. Both Councils have internal animal welfare teams that carry out these functions. We have been unable to confirm the position with the third borough (London Borough Newham) but we understand that they also have their own in house teams.
- 6.4 It is difficult to compare with other Boroughs outside of London due to their differing statutory duties in terms of District, County and Unitary Councils.
- 6.5 Locally we have only been able to identify two private veterinary practices that are providing inspection only services for horse riding establishments and animal boarding establishments. These practices are providing services to District Councils where some of the other service elements are undertaken by the County Council. However, they do not cover all of the statutory requirements in particular the liaison with DEFRA, the control of infectious diseases and rabies contingency planning and zoonosis, including the administration work that relates to this part of our statutory duties.

## **7. SUSTAINABILITY / IMPACT ASSESSMENT**

- 7.1 If the recommendations are accepted the local businesses would continue to receive animal health and welfare services from a highly professional and trusted public body that they have been used to for over 30 years.
- 7.2 We have not received any complaints about the service provided by the City of London Veterinary Service.

## **8. COMMISSIONING AND PROCUREMENT CONSIDERATIONS**

### **PROCUREMENT**

- 8.1. The City of London operates an open framework to provide specialised services on all matters relating to animal health and welfare on behalf of other Local Authorities as the enforcing authority. The Council recovers the costs of the CoLVS licensing inspections as part of the licence fees and the Council is only liable to pay for the works requested and agreed in advance as detailed in table 1 above.
- 8.2 The value of the proposed contract is below the relevant threshold value for the application of the Public Contracts Regulations 2015. These types of Contracts are however, still covered by the Council's Contract Procedure Rules.
- 8.3 This is a highly specialised service that meets all of the Councils legal and statutory responsibilities, based on an initial assessment of the Market 18 of the 32 London Boroughs are provided with a full service and 11 are provided with a partial service. The 3 other boroughs who are not on the framework all have their own in house teams that carry out these functions.

- 8.4 Whilst it is possible to find private vets who can undertake specific aspects of the service, we have not identified any that can undertake the whole range of services necessary for a comprehensive service to meet the Councils statutory obligations.
- 8.5 The cost of this contract is de minimus and the cost of going out to tender far outweighs the value of the contract and it would therefore be uneconomical to do so. Due to our statutory obligations we cannot terminate the contract as we cannot meet these obligations in house.
- 8.6 It is a requirement under the Councils Contract Procedure Rules that Officers do not disaggregate/sub divide work which could be reasonably be treated as one contract.
- 8.7 Whilst the cumulative spend is over the £50,000 as demonstrated in Section 10 below it still falls below the EU threshold limit for Services which is £164,176. We therefore consider that cumulative spend is not a concern for the reasons set out in this report.

## 9. COMMISSIONING APPROACH

- 9.1 Towards the end of the 3 year contract period Officers will undertake more in depth market research to look at alternative service delivery models to ensure that the Council are obtaining best value for money but based on the market research carried out, as set out in this report, this is a highly specialised service and this is a very niche market.

## 10. FINANCIAL CONSIDERATIONS

- 10.1 The current 2017/18 budget for this service is £14k. There is also an income budget of £12k from the licence fees.
- 10.2 The table below summarises the cumulative financial position for this service with the City of London since 2012/13: -

<b>Veterinary Services</b>	<b>£'000</b>
Cumulative spend to date from 1.4.12 to 31.3.17	59
Estimated value of new formal agreement 1.4.17 to 31.3.22	76
<b>Cumulative value of spend with the City of London Veterinary Service</b>	<b>135</b>

- 10.3 Income from animal related licences off sets the costs of providing the service resulting in a net annual cost of approximately £2k for complaint investigation, emergencies and other unplanned requests for advice or inspections. Income over the life of the proposed agreement would be in the region of £60k.

## 11. OUTLINE PROCUREMENT STRATEGY AND CONTRACTING PROPOSALS

- 11.1 To formalise the agreement with the CoLVS through a new Service Level Agreement for a further contract period of 3 years with an option to extend for a period of two years with authority delegated to the Director of Environment and Community Services as provided for in CPR rule 13.1.
- 11.2 Officers to carry out more in depth research of the market to ensure that the Council continues to obtain best value for money.

## 12. POLICY IMPLICATIONS

12.1 The animal health and welfare service is a statutory service supporting the Councils Building a Better Bromley by contributing to being a healthy and safe place.

## 13. LEGAL CONSIDERATIONS

13.1 The Council has responsibility to administer and enforce a range of provisions relating to animal health and welfare, including granting and renewing licenses, monitoring of animal health and welfare on farms and by non-commercial animal keepers as well as providing advice and guidance on infectious diseases in animals.

13.2 The Council has no 'In house' capability to provide these services and had authorised the CoLVS to undertake these for over 30 years. The value of the proposed contract is below the relevant threshold value for the application of the Public Contracts Regulations 2015

<b>Non-Applicable Sections:</b>	<b>PERSONNEL CONSIDERATIONS</b> <b>POLICY IMPLICATIONS</b> <b>STAKEHOLDER CONSULTATION</b>
Background Documents: (Access via Contact Officer)	Specification – Animal Health & Welfare Contract Service  [Appendices to be included]