



Audit and Governance Committee

20 September 2017

Report of the Director of Economy & Place

York Environmental Services Consultancy

Summary

1. This note presents further information on the York Environmental Services (YES) Consultancy as requested by members at the last meeting.

Recommendations

2. Members are asked to note the contents of the report

Reason

To ensure Audit & Governance Committee are fully briefed on this matter.

Background and Analysis

3. Historically, officers within Public Protection have undertaken work for various council departments in the areas of environmental protection (air quality, noise and contaminated land) around major projects such as upgrading the outer ring road, and have occasionally provided similar services for other Local Authorities in the region. This work being undertaken for a recharge. When faced with the challenge to provide 'New Operating Models' to meet existing and future budget pressures, it appeared that 'environmental consultancy' was one of the areas which provided opportunity.
4. Making access to our skilled and qualified staff more widely available had a number of advantages:-
 - i) Businesses could tap into timely and affordable advice, and because it was being delivered by Regulators increase the

- likelihood of ‘getting it right first time’ and reducing the need/ for corrective action or the threat of enforcement.
- ii) Other Local Authorities could access specialist services which were no longer sustainable in-house – a form of ‘shared services’.
- iii) City of York Council would retain the skilled and experienced staff it had invested in. This was particularly important in view of the development opportunities that will arise from Local Plan and other key development projects in the city.
- iv) For the tax payer, reduce the number of complaints and the cost of the service – particularly in enforcement.

The YES (York Environmental Services) Consultancy

- 5. The officers responsible for providing these services determined that it would be beneficial to use a brand name more memorable potential customers - this became York Environmental Services Consultancy or ‘YES Consultancy’ as it is referred to. It is important to note that YES is simply a ‘brand name’ of City of York Council, it has no separate legal status.
- 6. Much of YES Consultancy’s work continues to be for other Local Authorities who are experiencing reductions in services and redundancies. Officers are currently working with, or have done work for, most of the Local Authorities in North Yorkshire. Officers also carry out work for developers in other areas – mainly in and around the Yorkshire area but occasionally further afield, and have recently been contacting local developers, planners, builders and architects in York and the surrounding areas who might find the services helpful through a series of events.
- 7. Officers are careful to avoid any conflict of interest with statutory duties. There are professional codes of conduct, and a ‘practice note’ (an internal procedure) to avoid any potential conflict of interest. For example, officers will not provide services in which the Council have specifically asked for an environmental report as part of the planning application process and an officer would not comment on an application they have provided consultancy work on. As a result of our strict procedures, our consultancy work inside the York council boundary has been limited.
- 8. York is one of a growing number of local authorities providing chargeable advice and consultancy services such as YES, e.g.

Cornwall use the “Better Regulatory Services (BRS)” brand. Furthermore, Environmental Consultancy is only one of a number of services within the Public protection team that is focussed on helping business to grow and comply with regulations for which a charge is made. Examples include Primary Authority - a statutory service giving businesses greater control of their regulation, businesses ‘approved’ by trading standards and advice to businesses prior to receiving their official visit and food hygiene rating score.

Charging policy

9. All work is charged at a ‘cost recovery’ rate, as calculated by the Council’s Finance team. The charging rate is based upon the full employment cost of an officer including on-costs so as not to subsidise the work through council tax or to make a profit. Currently, the full cost recovery rate for an Environmental Health/Trading Standards Officer is £66.40 per hour (lower rates apply for lower grade officers). This is in-line with the hourly rate charged by other councils for similar services. A report would be taken to members if Public Protection wished to ‘trade’ and make a profit (or loss) as opposed to simply ‘charging’ in the future. If there was a wish to trade this would have to be done through a separate trading company such as City of York Trading Ltd.

Management and staff

10. Officers working under the YES Consultancy brand are managed by the Head of Public Protection via the Public Protection Manager (Regulatory Support and Advice). The YES Consultancy work is provided by officers under the normal pay and service conditions.

Insurance risks

11. The Council hold Public Liability Insurance for £20 million, Employers Liability Insurance for £20 million and Professional Negligence Insurance for £5 million.

Business Feedback

12. Businesses of all sizes have been supportive of our services, with several repeat customers. YES Consultancy has helped to fill a gap in the market for many small businesses in the York area that require high quality local consultancy at a reasonable price.

13. YES Consultancy supports the Government's initiative on Better Business for All, and is supported by MakeItYork, the Local Enterprise Partnerships Growth Hubs, and the Federation of Small Business.

Consultation

14. Not applicable.

Options

15. Not applicable.

Corporate Priorities

16. The Yes Consultancy supports Council's priorities in respect of the following:

- A prosperous city for all – enabling businesses to thrive by providing good quality, timely advice particularly in respect of sites being developed for housing and other purposes in York and the surrounding area.
- A focus on frontline services – enabling the Council to retain its own 'in house' expertise in key areas of service delivery.
- A council that works in partnership with local communities – being entrepreneurial and making the most of commercial opportunities, cutting red tape and building the culture we need to attract, retain and develop colleagues.

Implications

17. There are HR, equalities, crime and disorder, IT or property implications arising from this report.

- **Legal implications**

"Powers in the Local Authorities (Goods and Services) Act 1970 permit Councils to provide services to each other and certain other public bodies and profits can be made from such services. So far as other organisations are concerned the general power of competence in section 1 of the Localism Act 2011 provides ample power for the Council to offer this service. The Council is entitled to charge for services provided using this power where there is no other charging power, where the service has been requested by the person who is to pay and where there is no statutory duty to provide the service.

Income from charges, taking one year with another, cannot exceed the costs of provision.

If the Council wished to provide this service for a commercial purpose and make a profit then it would need to do so through a company.

- **Financial implications**

The delivery of external funds through consultancy work has contributed to the significant savings agreed in 2015/16 across Public Protection. In 2016/17 c£80k was generated from consultancy work and primary authority work. This equates to c 5% of the gross cost of the Public Protection team. The hourly rate that is charged to businesses has been calculated so that it covers full costs including overheads such as management supervision, accommodation and council support services. This is to ensure it does not enjoy a competitive advantage in the market place or make profits for the council.

Risk Management

18. Applying the Council's Risk Scoring Matrix, the impact of a breach by officers acting under the YES Consultancy brand is 'moderate' (action in a local court, local media coverage), but the steps taken make such action 'remote' which represents a score of 6 – a 'green risk'.

Authors:	Chief Officer responsible for the report:			
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Matt Boxall Head of Public Protection	Report Approved	✓	Date	12/9/17
Wards Affected: All				
For further information please contact the author of the report				

Background Papers: None

Abbreviations: YES = YES Consultancy