

Environmental Permitting Regime and the Shared Service

1. Introduction

The opportunity to deliver a consistent service across the three districts is one of the key actions required by the Tri Cabinet report of 12 June. The Project Board recognise that this provides an opportunity to consider a number of options for the delivery of this service to meet the criteria for the Shared Service of resilience, quality, culture, and cost.

The permitting inspection regime is a statutory function delivered through local authorities and the Environment Agency to regulate emissions from certain types of industrial processes.

There are currently 145 permitted processes across the three local authority areas with the majority being in Swale. They range from processes that are considered to be lower risk (dry cleaners, petrol stations, waste oil burners) to more complex processes such as galvanising plants and crematoria.

Swale and Tunbridge Wells both contract out their permitting function and have to monitor the contracts closely for permit and schedule accuracy. Maidstone deliver their function within their service but supplement this through the use of a contractor to inspect Maidstone Crematorium or to support staffing absences.

2. Background

Environmental permitting is a statutory system that acknowledges that some businesses processes cannot occur without some pollution of the environment; the air, land and water, but seeks to encourage the reduction in pollutants through effective controls and management of the processes. Permit charges are set by DEFRA and fees are reduced for good management and efficient pollution prevention measures.

The permitting regime is a complex area and consultants and officers require in depth knowledge of the processes, the legislation and the ever changing guidance associated with this function.

Officers in each authority are currently involved with either inspecting premises or monitoring current contracts also demonstrate a high level of competency and the current contractors both demonstrate high levels of professionalism.

3. The specialist officers from the three authorities assisted the Interim Shared Environmental Health Manager to review the approach to delivering this service . From their work the three options presented are:

Option 1 In-House Service - provided and supervised by trained officers from the MKIP Environmental Health Shared Service

Option 2 Fully Contract Out - supervision and administration role is carried out by the MKIP Environmental Health Shared Service, reducing from the current

two contract monitoring officers and expertise of the in house delivery at Maidstone to two contract monitoring officers across the shared service.

Option 3 Combined in house delivery and partial contract out. A three year planned programme of bring the majority of the service in house, gradually increasing officer skills and expertise to deliver a defined number of process types and maintaining a contractor for a small number of high risk premises.

4. Option 1 – In House

Evaluation of the level of expertise currently in the service across the three teams and the level of knowledge required to deliver some of the challenging permitting inspections in the Swale area meant that the Project Board concluded that this was not a viable option at this time.

5. Option 2 – Contracting Out all the Permitting Processes

The fees charged by contractors are generally quoted as a percentage of the DEFRA fee, this fee is set annually by the department and can vary, generally either reducing or remaining at non-inflationary levels. An approach to the current Swale contractor to explore the delivery costs resulted in a significant reduction in the percentage fee they are likely to charge for the combined outsourced service. The charge quoted was 80-85% of the fee, this better than the fee currently charged to Tunbridge Wells. The level of service provided for the 80% fee reflects the current service level delivered to Swale (at 5% reduction) and the service provided for 85% would include administration and issuing of the permit (currently done by officers in Swale and Tunbridge Wells). Contracting out still requires 'smart client' monitoring and in this particularly complex area this is a significant investment in professional development that each authority currently has to provide. Contract monitoring could sit with two officers across the shared service to provide resilience for the statutory function.

6. Option 3 – A Combined Approach

- 6.1. Using contractors on a diminishing scale will allow funding of officer time, training and additional staff hours to be funded from the saved contractor fees. In 2013/14 the permit fees generate ££46,159 and the contracted out works cost ££31,682. Financial modelling has indicated that the permit fees across the whole service for 2014/15 will be between £38,658 and £33,613. The variation for 2014/15 is due to premises and business changes through potential rescinding of current permits, changes in risk rating under the DEFRA scheme and anticipated DEFRA fee changes.
- 6.2. Based on DEFRA's estimation of the time permit inspections should take an estimate of between 876 and 1431 hours are required to deliver the permitting system fully in house equating to approximately 0.5 - 1.0FTE. As Maidstone currently deliver the permitting mainly through the current staffing levels, the increase in officer time will only be needed for Tunbridge Wells and Swale not to the upper level of 1.0FTE.
- 6.3. There is potential to increase current officer's hours to meet this need, rather than increasing establishment posts. Officers have expressed an interest in increasing their working hours and could be approached to deliver this function from within the shared service.

7. Conclusion

The preferred option chosen is to adopt Option 3 delivery model which brings the majority of the service delivery in house and employs the use of a contractor across all three districts. It is proposed that in the shared service officers will permit processes in the lower risk and less complex premises gradually taking on the more complex processes in a graduated approach. The increase in staff resources under option 3 would be funded from the fee income and a reallocation of time from contract monitoring to carrying out inspections. This allows officers to build up their expertise and skills in more complex and higher risk processes over a two to three year period.

8. Recommendation

To support Option 3 to predominately deliver the Environmental Permitting in house across the three local authority areas and supplement it with the use of a contractor.