

Regulatory Committee

19 January 2022

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| Report title | Adoption of South Staffordshire District Councils delegated licensing function | |
| Wards affected | All | |
| Accountable director | Ross Cook, Director of City Housing and Environment | |
| Originating service | Licensing | |
| Accountable employee | Chris Howell | Commercial Regulation Manager |
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| Report to be considered by | Full Council | 2 March 2022 |
| | Cabinet | 23 February 2022 |

Recommendations for decision:

The Regulatory Committee is recommended to:

1. Agree to accept the licensing function, as delegated, by South Staffordshire District Council subject to the signing of the finalised agreement.

1.0 Purpose

- 1.1 To update Regulatory Committee on the progress made transferring the licensing function from South Staffordshire District Council (SSDC) to City of Wolverhampton (CWC) and for Regulatory Committee to formally accept the delegated licensing functions subject to the signing of the finalised agreement.

2.0 Background

- 2.1 SSDC have thoroughly investigated the licensing processes and procedures provided by City of Wolverhampton Council. They note that in line with Department of Transport advice, small licensing authorities cannot fund the enforcement necessary to provide a service to the standard provided by City of Wolverhampton Council and should look to partner with other bigger authorities.
- 2.2 SSDC have been open about their financial difficulties in licensing. Over the last 18 months due to the difficult operating climate for the trade, the income has declined. The Council has been struggling to balance income and expenditure on taxi licensing for the last five years. It is recognised that this will increasingly become more difficult with a balance shortfall of £25,000 expected by 2023.
- 2.3 If the taxi licensing function is not delegated to CWC there will need to be a significant increase in taxi licensing fees in order to sustain a balance in expenditure and income. This is likely to result in drivers moving their licence to Wolverhampton anyway, where it is cheaper to apply for a licence due to economies of scale.
- 2.4 Discussions have been ongoing since 2018, when the idea was first mooted at a meeting to discuss driver and vehicle standards. All work between officers ceased with the onset of Covid-19 and the project has lay dormant for many months. As Covid became 'the normal', the transfer of functions has been picked up again.
- 2.5 The Council have sought external legal advice on the proposal, including on the delegation of the various functions, which confirms that it is legal. The advice is that Full Council are required to approve non-executive functions but Cabinet can approve executive functions.
- 2.6 SSDC have undergone a full consultation using CWC's policy on applicants' convictions. This enabled them to mirror all of their policies and guidelines with those of Wolverhampton. A further full consultation exercise was undertaken with their trade group. All SSDC licences will transfer over to CWC conditions of licence on 1 April 2022.
- 2.7 On 7 December 2021 SSDC Cabinet delegated the executive functions and on 14 December SSDC Full Council delegated the non-executive functions. Due to Covid restrictions, the meeting took place virtually. It was then completed as an 'Urgent Action Decision' and issued by the Chief Executive.

3.0 Proposal

- 3.1 The proposal is for an agreement whereby City of Wolverhampton Council accept South Staffordshire District Council's delegated licensing function from 1 April 2022. This will be reviewed after three years.
- 3.2 SSDC will not transfer any staff as part of this agreement and no members of SSDC staff will be made redundant due to this transfer. Existing staff from SSDC shall be redeployed to support their Environmental Health work. SSDC then faces a situation where potentially it loses £60,000 income but keeps the staff cost.
- 3.3 There are however a number of matters that CWC would need to deliver from SSDC premises and using SSDC staff, including room hire, training, organising and servicing committee hearings, contract management and reporting. Facility will be made within the proposed transfer agreement for CWC to purchase services from SSDC to the value of approximately £60,000 per annum for three years. There will therefore be no net cost to SSDC for the transfer to CWC during the initial three years. After three years CWC shall not be obligated to purchase any services from SSDC.
- 3.4 The policies of SSDC will mirror those of City of Wolverhampton Council and SSDC Licensing Committee shall become a consultee for any future proposed changes.
- 3.5 Should the Regulatory Committee adopt the delegated non-executive functions a further report will be presented to full council for the executive functions to be adopted.

4.0 Financial implications

- 4.1 Due to economies of scale many of the necessary functions to deliver this service on behalf of SSDC can be provided within the existing resources of CWC.
- 4.2 The licensing fees are ring fenced and must be cost neutral, balanced over a three-year period. The £60,000 paid to SSDC in the first year shall be met from within existing budgets and in future years shall be met from income generated.
[SB/1102022/E]

5.0 Legal implications

- 5.1 The Council officers have had the benefit of external legal advice on the proposal including on the delegation of the various functions which confirms that it is legally possible. Council approves non-executive functions and Cabinet will approve executive functions.
- 5.2 Further legal support shall be provided in drawing up the final agreement which shall govern this contract.
[DA/11012022/1]

6.0 Equalities implications

All policies and procedures are those of City of Wolverhampton and have been subject to equality impact assessments.

7.0 All other Implications

7.1 There are no other implications specifically applicable to this report.

8.0 Schedule of background papers

8.1 None.

9.0 Appendices

9.1 None.