

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Adoption of South Staffordshire Council's delegated licensing functions	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment and Climate Change	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	John Roseblade, Director of City Housing and Environment	
Originating service	Licensing	
Accountable employee	Chris Howell Tel Email	Commercial Regulation Manager 01902 554554 Chris.howell@wolverhampton.gov.uk
Report to be/has been considered by	Regulatory Committee Council	19 January 2022 2 March 2022

Recommendations for decision:

The Cabinet recommends that Council:

1. Approve the adoption of the executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
2. Approve the adoption of the non-executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
3. Delegate authority for the signing of the final agreement to the Chief Operating Officer in consultation with the Director of City Housing and Environment.

1.0 Purpose

- 1.1 To update Cabinet on the progress made transferring the licensing function from South Staffordshire District Council (SSDC) to City of Wolverhampton (CWC) and for Cabinet 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 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 the situation stabilised, the transfer of functions has been picked up again.
- 2.4 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 and Cabinet are to approve executive functions.
- 2.5 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 subject to signing the final agreement.
- 2.6 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. CWC will purchase a number of services from SSDC up to the value of £60,000 per year for three years.

3.3 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.

4.0 Evaluation of alternative options

4.1 Option one would be to decline the delegation from SSDC. This would result in no change to the current licensing practices of Wolverhampton.

4.2 Option two is to adopt the delegation as proposed.

5.0 Reasons for decisions

5.1 Licensing welcomes the Government's approach to local authorities joining together their taxi licensing functions. CWC will be the first Council to negotiate this type of transfer and will pave the way for other local authorities to follow.

6.0 Financial implications

6.1 The accounting arrangements for the SSDC transactions will be dealt with in accordance with required licensing legislation and the Code of Practice for Local Authority Accounting, the monitoring of this service will be separate to the Council's own licensing budgets.

6.2 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, therefore at minimal additional cost to Wolverhampton. The costs of delivering the licensing services will be apportioned between the two licensing services as appropriate.

6.3 The service has forecast the cost and income for delivery of the SSDC licensing service for the next three years, which is summarised in the table below.

	2022/23	2023/24	2024/25
Room Hire and Training	540	0	0
Administration costs	600	100	100
Production of new licence plates and driver badges	400	390	390
Support Service Costs	2,800	2,800	2,800
Control and Supervision of Vehicles	41,000	41,000	41,000
Total projected expenditure	45,340	44,290	44,290
Less projected Income from SSDC licensing service	(50,500)	(48,500)	(49,500)
Net Total	(5,160)	(4,210)	(5,210)

- 6.4 Actual performance will be monitored on a regular basis and updates provided in quarterly Performance and Budget Monitoring reports to Cabinet.
- 6.5 In addition, it is proposed that up to £60,000 of services will be procured from SSDC per year over the next three years. These services will include activity associated with the delivery of both SSDC and CWC licensing services and costs will be apportioned appropriately to each service.
[SB/07022022/J]

7.0 Legal implications

- 7.1 By virtue of section 101 of the Local Government Act 1972 a local authority may delegate its functions to another local authority. By a decision of its Executive under Regulation 5 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 and in accordance with their Constitution South Staffordshire District Council (SSDC) have delegated their taxi licensing function to Wolverhampton City Council.
- 7.2 A report was put before the City of Wolverhampton City Council (CWC) Licensing Committee inviting views.
- 7.3 In accordance with the Constitution of CWC, its Executive has the power to agree to accept the Delegation made by SSDC's Executive which then needs to be agreed and or endorsed by WCC's full Council.
- 7.4 Paragraph 1.18 of the Constitution of CWC provides that a function of Full Council is determining whether to accept the delegation of any function from another local authority.
- 7.5 Contractual arrangements detailing how the taxi licensing function of SDCD is to be undertaken by CWC are being finalised.

7.6 The Council will of course need to ensure that any services purchased from South Staffordshire District Council reflect best value for this Council in line with the Local Government Act 1999 and will do so through the contract that is signed with South Staffordshire and through the purchase of specific services
[SH/26012022/A]

8.0 Equalities implications

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

9.0 All other implications

9.1 The final agreement will address the issue of TUPE. Both parties acknowledge the exercise of the Delegated Functions is not intended to result in a transfer of any of SS' employees pursuant to TUPE.

10.0 Schedule of background papers

10.1 South Staffordshire District Council:

- Licensing and Regulatory Committee – 16 September 2021.
- Statement of decision by chief executive using urgent action powers – 15 December 2015

11.0 Appendices

11.1 Appendix 1: Urgent Action Decision of South Staffordshire District Council to formally delegate the taxi and private hire licensing functions.