



Eastleigh House, Upper  
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22 June 2016

**ADMINISTRATION COMMITTEE**

**Monday, 27 June 2016**

**SUPPLEMENTARY PAPERS ENCLOSED**

Item 5. The Transfer of Licensing Administration (Pages 1 - 6)

**TO:** Councillors Winstanley, Clarke, House, Airey, Irish, Grajewski, Pretty, R Smith,  
Mrs Sollitt and Sollitt

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## ADMINISTRATION COMMITTEE

Monday 27 June 2016

### TRANSFER OF LICENSING ADMINISTRATION

#### Report of the Corporate Director - Support Services (CFO)

#### RECOMMENDATION

**It is recommended that Members approve the extension of our existing licensing partnership arrangements with Southampton City Council (SCC) to include hackney carriage and private hire licensing and other residual licensing (para 8).**

#### Summary

The purpose of this report is to seek approval from Members for the extension of the existing licensing partnership with Southampton City Council (SCC) to include licensing of hackney carriages and private hire, vehicle and drivers, private hire operators, scrap metal, sex establishments and street and house to house collections.

#### Statutory Power

**Town Police Clauses Act 1847**

Local Government (Miscellaneous Provisions )Act 1976

Deregulation Act 2015

#### Introduction

1. The purpose of this report is to ask Members to approve the extension of the existing licensing partnership with Southampton City Council (SCC) to include licensing for hackney carriage vehicle and drivers, private hire vehicles and drivers and private hire operators, sex establishments, scrap metal, street and house to house collections.

#### Background

2. The existing working relationship between Southampton City Council (SCC) and Eastleigh Borough Council (EBC) with regard to the Licensing Act 2003 partnership is extremely strong. An extension of our existing partnership arrangements to include other services currently provided in-house will aim to provide greater 'service robustness' / continuity of service in the future together with a more cost effective service. SCC already work in partnership with other local authorities (including Fareham BC) as well as ourselves.

3. Members are aware that the Future Eastleigh service redesign programme is reviewing all services and organisational structures. There would be an impact internally on how the service would be delivered in the future although the detailed design is unknown.
4. Existing arrangements for licensing at Eastleigh Borough Council (EBC) require the litigation lawyer to engage in detailed licensing work, particularly for hackney carriages and private hire licensing, at the expense of other legal work. There is also a requirement to update and maintain our existing policies and procedures for the administration of taxi licensing and this work is not being undertaken due to existing staffing and work pressures.
5. SCC have their own suppliers, practices and requirements with regard to inspections; tests and plate fixing all of which could be considered / adopted (or not) following establishment of the partnership. Over time, it is likely that any partnership agreement would involve migration to a single computer system common to both authorities. This was the strategy adopted with regard to our Building Control partnership with Southampton City Council.

### **Proposal for future service provision**

6. Presently Southampton City Council Licensing Team are contracted under a Service Level Agreement to provide licensing functions that fall under Licensing Act 2003 and Gambling Act 2005 on behalf of Eastleigh Borough Council until 2020. In the main these are carried out remotely save for enforcement or committee work/support/hearings.
7. This section of the report outlines proposals for Southampton City Council Licensing Team to carry out additional licensing functions for all the residual services in relation to
  - the hackney carriage and private hires trade
  - scrap metal,
  - sex establishment and
  - street and house to house collections.
8. As with all good partnerships some flexibility and regular review, especially in the first year or so, is required. Volumes, costs and legal or political requirements will change or shape the service over a period of time. EBC and SCC have been cognisant of that during the long standing and successful current Licensing Partnership and this will continue in any extension of the service.
9. Accordingly, the proposal recommended to Members is:
  - To create one fully integrated Licensing team servicing all SCC and EBC needs, based at SCC and managed by it, but with an EBC hub.

- Existing EBC staff would TUPE across to SCC (on current T and Cs).
  - Any new staff required (due to vacancies or growth) to be employed by SCC.
  - Maintain daily staff presence at EBC offices.
  - Daily staff presence initially by using any staff who TUPE across and supported by SCC staff who will need to learn EBC processes. Full integration with interchangeable staff within 6 months to ensure service flexibility and resilience.
  - Full budget transfer of staffing costs including vacant posts. Additional initial set up and annual management fee to be paid by EBC.
  - Initiate project at EBC's cost to migrate EBC data/records onto the SCC database, train staff new to SCC how to use system and have access to SCC database at EBC offices.
  - Manager/Supervisor will work from EBC offices as and when required and at least once a week; more frequent in the initial 3 months.
  - All terms and conditions of TUPE'd staff to be reviewed within 2 years to ensure alignment with SCC staff (and avoid any equal pay issues).
  - Proportional cost of any direct service costs (such as additional IT licences, training, travel costs) to be borne by EBC.
  - Any delegated decision making to be further delegated to SCC officers.
  - Legal advice, support and cost to that part of the service needs to be discussed.
  - Timescale – to be agreed but aim to be fully transferred by 1 September 2016.
- 10.** SCC has a database that is fit for purpose (UNIFORM), can cope with the extra capacity and will continue to be developed, whereas the EBC system is in need of either an overhaul or replacement. The same can be said of the Topography tests, with EBC officers already looking to implement a similar if not identical test to the system used by SCC. This proposal will save a considerable amount of resources. The IT costs will need to be met by EBC.
- 11.** SCC presently administers circa twice as many of these licences as EBC, predominantly using 2 full time staff plus Enforcement officer time. EBC have the equivalent of 3.5 staff including an Enforcement officer. The full costs of these

officers will need to be borne by EBC. The overall structure will be reviewed in due course which may result in savings for the ring fenced service.

12. A one off set up fee capped at £10,000, to reflect time spent on the service transfer will be required. This will be funded by the Licensing reserve.
13. A small annual management fee of £10,000 will be required. This will be funded from the savings made on EBC management time currently invested in the service.

### **Staffing Implications**

14. Once initial meetings with had been held with Management Team and Councillors Airey and Winstanley to approve the development of the proposal, potentially affected staff were informed of the proposal. Discussions have also been held with Unison and the TUPE process is being conducted in line with the Council's Organisational Change Policy.

### **Financial Implications**

15. Members will be aware that Taxi licensing is a 'ring-fenced' service and therefore this review is not designed to focus on generating significant financial savings for the council. The purpose of the review is to establish a more robust front-line service capable of maintaining service delivery during periods of staff absence / turnover. The benefits of the partnership are that senior EBC legal staff will not be involved in detailed licensing activities at the expense of legal work and consequently service provision should improve in other areas. The service must continue to operate at a breakeven level.
16. EBC Support Units currently charge £41,180 to the Hackney Carriages licensing service. Whilst some of these recharges may remain, any increase in staffing costs for the Legal Services Unit and other support teams resulting from the partnership will be managed as part of the service redesign exercise.
17. The 2016/17 original budget for the existing taxi licensing service is outlined below:

<b>Expenditure</b>	<b>£</b>
Employees	92,230
Service Units	4,250
Supplies & Services	10,160
Transport	15,600
Administration	3,090
Admin Apportioned Costs	64,240
<b>Total Expenditure</b>	<b>189,570</b>

## **Income**

Non-VAT Income	(15,600)
Fees & Charges	(170,240)
<b>Total Income</b>	<b>(185,840)</b>

<b>Net Costs</b>	<b>3,730</b>
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## **Other Implications**

18. The Taxi licensing service is a ring-fenced service and is required to break-even. A report to the Administration Committee in November 2015 outlined the recent changes introduced by s10 and s.11 of the Deregulation Act, in respect of licences for Private Hire Operator and Private Hire and Hackney Carriage driver licences. The Administration Committee approved a three year driver licence fee and five year private hire operating licence fee. The fees have been amended to reflect reduced administration costs over the licence period but the full impact of this recent change on year to year accounts is not yet fully known. The service currently retains a reserve sum of £18,500 as at 31<sup>st</sup> March 2016.
19. Hackney carriage and private hire vehicle inspections are currently undertaken by the Direct Services Unit at a cost of £17,200 per annum. Changes to the inspections policy would have an impact on Direct Service Unit income. No changes are proposed to the inspection arrangements as part of this review.
20. The financial arrangements for the service would remain the same and the accounts would be held within the EBC financial system.

## **Equality and Diversity Implications**

21. An equal opportunities assessment will be completed by the service if approval is given to the extension of the licensing partnership with SCC.

## **Conclusion**

22. The purpose of this report is to recommend that the Council extends the existing Licensing partnership with Southampton City Council (SCC) to include licensing of hackney carriages drivers and vehicles and private hire vehicles and drivers and private hire operators, sex establishments, scrap metal and street and house to house collections.

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Appendices: Nil  
Report No: fsLIC

LOCAL GOVERNMENT ACT 1972 – SECTION 100D

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

Nil