



## **COUNCIL**

**19 JULY 2018**

### **SHARED LICENSING SERVICE BETWEEN GRAVESHAM BOROUGH COUNCIL AND MEDWAY COUNCIL**

Portfolio Holder: Councillor Jane Chitty, Planning, Economic Growth and Regulation

Report from: Perry Holmes, Chief Legal Officer

Author: Jan Guyler, Head of Legal Services

#### **Summary**

This report seeks authority from Council to delegate non-executive licensing functions to Gravesham Borough Council whereby Gravesham Borough Council will assume responsibility for the discharge of Medway Council's executive and non-executive Licensing functions.

#### **1. Budget and Policy Framework**

- 1.1 The Licensing functions are largely non-executive. The decision making by Medway Council will therefore largely be made by the Licensing and Safety Committee or its Sub-Committees under delegations from Full Council. Approval of the delegation of non-executive licensing functions to Gravesham Borough Council whereby Gravesham Borough Council will assume responsibility for the discharge of Medway Council's non-executive Licensing functions is a matter for Full Council.
- 1.2 An exception is the licensing of scrap metal dealers which remains an executive function. Approval of the delegation of executive licensing functions to Gravesham Borough Council whereby Gravesham Borough Council will assume responsibility for the discharge of Medway Council's non-executive Licensing functions is a matter for Cabinet.

## **2. Background**

- 2.1 Medway Council approached Gravesham Borough Council (GBC) regarding the potential to share a service for Licensing due to the Licensing Manager at Medway Council choosing to take retirement at the end of April 2018 and as part of the digitalisation programme.
- 2.2 There are two phases to the proposed shared Licensing Service:
  - 2.2.1 On an interim basis the GBC Licensing Manager provides support to the Medway Council Licensing Team in a shared manager role. This came into effect on 1 May 2018 after the Medway Council Manager had retired. This not only provides an interim solution but allows the revision of working practices and alignment of procedures ahead of a fully shared service.
  - 2.2.2 The longer term plan is to implement a full shared Licensing Service with effect from 1 November 2018. It is proposed that Gravesham Borough Council be the host authority for this shared service with Medway Council Licensing officers TUPE transferring to GBC employment.

## **3. Advice and analysis**

- 3.1 The Licensing and Safety Committee, at its meeting held on 26 June 2018, considered and recommended Full Council to approve this proposal, further details of which are set out in section 8 of this report. The Business Support Overview and Scrutiny Committee scrutinised and commented on the proposed delegation of the Licensing service functions at its meeting on 5 July 2018, further details of which are set out in section 9 of this report.
- 3.2 The Cabinet considered the proposals on 10 July 2018 with particular regard to the executive Licensing Service functions, further details of which are set out in section 10 of this report.
- 3.3 Full Council is now asked to agree the proposed delegation of the Licensing service non-executive functions to GBC. Subject to these agreements being reached, Medway's Licensing Services staff are scheduled to transfer under TUPE regulations to GBC on 1 November 2018.
- 3.4 The initial phase of sharing GBC's Licensing Manager has been achieved in accordance with Section 113 of the Local Government Act 1972, which allows a local authority to place any of its officers, who consent to the arrangement, at the disposal of another local authority on such terms as may be agreed between the parties.
- 3.5 The second phase of implementing a full shared service can be achieved in accordance with Section 101 of the Local Government Act 1972 and the Local Authority (Arrangements for the Discharge of

Functions) (England) Regulations 2012, whereby Medway Council can delegate to Gravesham Borough Council its Licensing functions.

- 3.6 A Business Case has been prepared by officers from Gravesham and Medway to provide further information regarding the work of the two separate Licensing Services including current costs, staff transfers, potential savings and other benefits from establishing a shared Licensing Service such as increased resilience and availability of specialist skills across both authorities leading to increased efficiency. A copy of the Business Case is attached as Appendix 1.
- 3.7 Capacity, workloads, work types and expertise within the shared Licensing team will be thoroughly reviewed and consideration given to the need for a restructure if resources need to be reorganised to meet client demands or make further savings.

#### **4. Benefits of a Shared Service**

- 4.1 The anticipated benefits arising from a shared Licensing service with Gravesham Borough Council are set out below:
- 4.1.1 The team will be lead by GBC's Licensing Manager, who is very experienced and has brought about significant improvements in processes and procedures at GBC which in turn has brought greater efficiencies. These improvements have largely been due to digitalisation, for example, all licensing forms at GBC are now online making the process quicker and easier for taxi drivers to complete the forms and pay licence fees online as well as reducing the administration time spent by the team. Such improvements can be adopted, wherever suitable, in relation to Medway Council licences and bring further efficiencies and savings.
- 4.1.2 It is anticipated that it would be extremely difficult to recruit a suitably experienced Licensing Manager and by sharing GBC's Licensing Manager the costs of employing that manager are shared and therefore reduced as opposed to each local authority recruiting their own managers.
- 4.1.3 Resilience within the team will improve to cover sickness and annual leave which will enable staff to gain further experience and develop their skills.
- 4.1.4 Medway Council and GBC have established several shared services: Fraud and Audit team, Legal Services (including a shared Monitoring Officer), Information Governance and HR. All of the shared services have been successful in bringing resilience, good performance and savings. Teams at both local authorities have adapted well to the shared services and work collaboratively together. Medway Council has taken a lead in the shared services so far but in relation to the shared Licensing Service Medway would benefit from GBC's experienced Licensing Manager.

- 4.1.5 A legal agreement is being prepared regarding the staffing and financial matters and will include an exit plan and an escalation procedure to be followed in the event that a difference of opinion on an issue arises, passing initially to Medway Council's Chief Legal Officer and Gravesham's Assistant Director (Communities), and ultimately to both Chief Executives, if required. However, it is unlikely that matters would escalate to this level as Medway's Head of Legal Services attends GBC's weekly Management Team Meeting along with GBC's Chief Executive and all Directors where any matters of concern can be raised immediately.
- 4.1.6 A presence will remain at both sites to ensure service delivery to service users.
- 4.1.7 Medway Council staff will remain on Medway's employment terms & conditions once they are TUPE transferred to GBC and will receive travel expenses for travelling between the sites.
- 4.1.8 Medway's Licensing team are about to change IT systems to IDOX Uniform. GBC have already moved to IDOX Uniform and can therefore provide support during the migration, which will bring efficiencies.
- 4.1.9 Each local authority will retain their decision making powers relating to licensing matters through the existing Committees, Cabinet and Full Council just as they do currently, for example, approving each authority's own gambling and licensing policies. It is only the day-to-day work of the Licensing teams that will be shared.

## 5. Options

- 5.1 **Option 1: Establish a Shared Licensing Service with Gravesham Borough Council.** Medway's existing staff members would transfer to the employment of Gravesham Borough Council under TUPE Regulations providing greater resilience and expertise in the team and reducing costs due to economies of scale. Further costs may be possible through a future restructure, if considered necessary. **It is anticipated that option 1 will bring the following benefits:**

- Added resilience across the two authorities. There will be a larger pool of officers covering both authorities providing additional resilience to cover sickness absence/vacancies or increased workload should this be required.
- Availability of specialist skills across both authorities leading to increased efficiency; potential for a reduced requirement for external support from contractors, etc.
- Sharing of best practice in the delivery of Licensing Services.

- Expansion of knowledge base of individual.
- Accelerated progress in digitalisation which will bring further efficiencies.

5.2 **Option 2: Restructure before establishing the Shared Licensing Service to reduce the team sizes.** This may reduce staffing costs but not significantly as Medway Council would need to recruit to the Licensing Manager post. This would significantly reduce capacity within the team and could impact on the service provided to client departments and members of the public in both local authorities. In particular it would reduce the capacity to implement an increasingly digitalised service to the public; while this will bring efficiencies once implemented it is at the outset labour intensive. This also risks reputational damage if either local authority is unable to meet deadlines. This option is not considered feasible as both teams are operating at high capacity and any reduction in numbers would not enable the service standards to be maintained.

5.3 **Option 3: Do Nothing.** Each local authority can retain its own separate Licensing Service teams undertaking work for their own areas only. This has the advantage of consistency for staff, client departments and members of the public but does not allow resilience or reduced costs or increased efficiencies that could be achieved by sharing resources. Medway Council has had a vacancy in the Licensing Manager post with effect from 1 May 2018 and would need to recruit to the post if the shared service option is not pursued.

## 6. Risk management

Risk	Description	Action to avoid or mitigate risk
Either party chooses to terminate the delegation.	Gravesham Borough Council permanently takes on the responsibility for and costs of providing Medway's Licensing Service functions. Either party may choose to end the shared service or the arrangement fails, leaving Gravesham with additional costs and Medway with no licensing service.	Medway's formal delegation and decision to share services approved by its Full Council. A formal legal agreement will be made to include exit arrangements with appropriate notice periods for seeking to vary or terminate the services.

Failure to deliver effective service	The proposed service is a reduction on existing resources and a new way of working; it may fail to deliver an effective shared licensing service for Medway and/or Gravesham Councils.	A formal legal agreement will be made to include required outputs and how performance will be measured, monitored and reported.
Staff grievance	Changes to staff terms and conditions may not be introduced appropriately.	HR staff from both Councils are involved in the project and are leading on this work-stream.

## **7. Consultation**

- 7.1 It is anticipated that there will be no impact on customers of the service (both internal and external) with the development of the shared service and so this has not been subject to public consultation.
- 7.2 Since the implementation of the shared service impacts on staff terms and conditions, informal and formal consultations are in progress, led by HR Services at both councils.

## **8. Licensing and Safety Committee – 26 June 2018**

- 8.1 The Licensing and Safety Committee considered the proposals at its meeting on 26 June 2018.
- 8.2 Members considered a report on a proposal for Medway Council to delegate the Council's licensing functions to Gravesham Borough Council whereby Gravesham Borough Council would assume responsibility for the discharge of Medway Council's licensing functions.
- 8.3 The Chief Legal Officer advised the Committee that this would be the third shared service between the two Councils but would be the first time where Gravesham would be the lead Council. Following the retirement of Medway's Licensing Manager at the end of April 2018, Gravesham Borough Council's Licensing Manager was providing management support to Medway's Licensing Team on an interim basis. It was envisaged that the new shared service arrangements would build resilience into the team and provide an opportunity to consider potential new ways of working which might lead to savings. The shared service business case was appended to the report and set out the case for the proposed option, Option 1 – the establishment of a shared licensing service

- 8.4 With reference to the Addendum report, the Chief Legal Officer advised the Committee that, although a majority of licensing functions were non-executive functions, the licensing of scrap metal dealers was an executive function. It would therefore be necessary to seek the agreement of Cabinet to delegate responsibility for the discharge of this function to Gravesham Borough Council. The Addendum report included additional recommendations to reflect this distinction between the delegation authority of executive and non-executive functions.
- 8.5 The Committee discussed the proposal and a Member expressed concern that Gravesham Borough Council would be the lead Council for a shared licensing service. Citing examples of issues with taxi licensing, and the non-availability of Gravesham Borough Council statistics for taxi related compliance inspections and checks, he expressed the view that it would be more appropriate for Medway, as the larger service, to be the lead Council. Another Member sought reassurance that the risks had been assessed and the current high level of Medway Council's licensing service would be maintained.
- 8.6 The Chief Legal Officer responded that, through the current shared arrangements for other services, strong partnership working between the two Councils had already been established. Gravesham's Licensing Manager was already providing effective management on an interim basis and this had enabled the provision of a seamless service following the retirement of Medway's Licensing Manager. The effectiveness of the current shared legal service, with staff from each Council working within both locations, demonstrated the resilience that had been built up. The risks had been considered and it was expected that the same level of success would be achieved through a shared licensing service.
- 8.7 In response to a question regarding the legal qualifications of Gravesham's Assistant Director who would have delegated authority to exercise licensing delegations under the employee delegation scheme, the Chief Legal Officer explained that it was not necessary for the officer discharging licensing functions to be legally qualified. In response to a further question regarding a service level agreement (SLA) to provide assurance that the level of service would not be diminished, the Chief Legal Officer undertook to circulate a draft service level agreement to members of the Committee and members of the Business Support Overview and Scrutiny Committee and Cabinet. (draft SLA is attached at Appendix 4).
- 8.8 The Chairman said that she and the Vice Chairman had sought clarification when the option for Gravesham to be the lead Council for a shared licensing service had first been proposed, and had been reassured that it was not simply a cost cutting measure. The licensing policies of each Council would remain in place and the shared service would be properly monitored to ensure that service standards were maintained.

8.9 The Committee agreed to:

- a) recommend to Full Council that option one set out in paragraph 5.1 of the agenda report is agreed whereby Medway Council shall delegate responsibility for the discharge of its Licensing Service non-executive functions to Gravesham Borough Council;
- b) recommend to Full Council that all non-executive licensing delegations currently with the Chief Legal Officer can also be exercised by Gravesham Borough Council's Assistant Director (Communities);
- c) recommend that Cabinet agree to delegate authority to Chief Legal Officer of Medway Council to enter into a legally binding contract between both local authorities setting out the detail of the arrangements for a fully shared Licensing Service;
- d) recommend to Cabinet that option one set out in paragraph 5.1 of the agenda report is agreed whereby Medway Council shall delegate responsibility for the discharge of its Licensing Service executive functions to Gravesham Borough Council; and
- e) recommend to the Leader and Cabinet that all executive licensing delegations currently with the Chief Legal Officer can also be exercised by Gravesham Borough Council's Assistant Director (Communities).

## **9. Business Support Overview and Scrutiny Committee – 5 July 2018**

- 9.1 Members considered a report which dealt with a proposal to delegate the Council's Licensing functions to Gravesham Borough Council whereby Gravesham Borough Council would assume responsibility for the discharge of Medway Council's Licensing functions.
- 9.2 Members also considered an addendum report which provided the record of the Licensing and Safety Committee meeting held on 26 June 2018, when it considered this matter, together with the draft service level agreement which the Licensing and Safety Committee had requested.
- 9.3 There was broad, and in cases qualified, support for the proposal to establish a shared licensing service. The point was made that there may be scope for further shared services provided this did not dilute the Council's focus on Medway residents. Another Member commented that she was in favour of shared services for back office services but where the service was public facing it could be more problematic.
- 9.4 A Member expressed concern that the TUPE transfer of Medway staff may result in them being on different terms and conditions but working on the same activities. The Chief Legal Officer advised that Medway staff would transfer with the same terms and conditions.



- 9.5 As Gravesham BC staff would receive pay increases in line with NJC Council agreements the point was made that a Gravesham member of staff performing the same duties as a Medway colleague would, over time, end up being paid more. The Chief Legal Officer acknowledged this was a potential risk but one that would be managed.
- 9.6 A Member referred to taxis licensed outside Medway operating in the borough which were often in a poor condition, not accountable and may not be able to be traced. She commented that local taxi drivers considered more controls could be introduced to prevent this from happening. The Chief Legal Officer responded that this issue had been discussed with representatives of Medway taxi drivers. Legally, it was very difficult to regulate this as it was difficult to evidence that an out of area hackney carriage had not been booked by a Medway resident. However, he was confident the shared service would improve enforcement in this area. Reference was also made to Uber and instances of overcharging in Medway and officers were asked to examine a recent decision by Brighton and Hove Council to not renew Uber's Private Hire Operator Licence in the city.
- 9.7 Members asked if the enforcement figures for Gravesham Borough Council BC (p 12 of the Business Case) could be made available to Cabinet and Council.
- 9.8 Reference was made to a recent incident involving disorder at a licensed premises in Chatham and Members congratulated the Licensing Manager for his work with the police and the licensee in coming up quickly with a more robust plan for future events.
- 9.9 The Committee agreed to:
- a) note the proposal that Medway Council delegates responsibility for the discharge of its Licensing Service functions to Gravesham Borough Council, and;
  - b) ask that the enforcement figures for Gravesham Borough Council BC (p 12 of the Business Case) be made available.

## **10. Cabinet – 10 July 2018**

- 10.1 The Cabinet considered the proposals on 10 July 2018 with particular regard to the executive Licensing Service functions. The Cabinet also considered an addendum report which provided details of the comments of the Business Support Overview and Scrutiny Committee and the Chief Legal Officer's comments in respect of the Committee's recommendations as follows:
- 10.1.1 Gravesham record enforcement visits against the individual premises file. There is no current Key Performance Indicator for the number of

enforcement visits at Gravesham. The estimate of the number of such visits is however in the region of 300 annually.

- 10.1.2 Members should be re-assured on the issue of enforcement generally, that the lack of hearings taking place in Gravesham shows that the visits the team make are effective.
- 10.2 The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee set out in the addendum report.
- 10.3 The Cabinet noted that the Licensing and Safety Committee had agreed to recommend Full Council that option one set out in paragraph 5.1 of the report is agreed whereby Medway Council shall delegate responsibility for the discharge of its Licensing Service non-executive functions to Gravesham Borough Council.
- 10.4 The Cabinet noted that the Licensing and Safety Committee recommended to Full Council that all non-executive licensing delegations currently with the Chief Legal Officer can also be exercised by Gravesham Borough Council's Assistant Director (Communities).
- 10.5 The Cabinet agreed option one, as set out in paragraph 5.1 of the report, whereby Medway Council shall delegate responsibility for the discharge of its Licensing Service executive functions to Gravesham Borough Council (decision no. 89/2018).
- 10.6 The Cabinet agreed that all executive licensing delegations currently with the Chief Legal Officer can also be exercised by Gravesham Borough Council's Assistant Director (Communities) (decision no. 90/2018).
- 10.7 The Cabinet agreed to delegate authority to Chief Legal Officer of Medway Council to enter into a legally binding contract between both local authorities setting out the detail of the arrangements for a fully shared Licensing Service (decision no. 91/2018).

## **11. Financial Implications**

- 11.1 If agreed by Members, the Licensing Services staff in post at Medway Council would transfer to Gravesham Borough Council's payroll on 1 November 2018. The current total staffing budget for Medway Council is £189,038 (including on costs). The Medway Council Licensing Manager post will not form part of the savings to be made by the shared service as this saving has already been taken by Medway. Further savings are anticipated as part of a shared service, particularly through efficiencies brought about by digitalisation.
- 11.2 Once the TUPE Transfer of staff has been completed and officers have been operating in the new structure for a number of months, a review will be undertaken of the structure of the Licensing Team in order to

ensure that all officers are in the correct posts in order to maximise their expertise across the shared working arrangement.

- 11.3 In setting up any shared working arrangement, there will be some investment/set-up costs in order to ensure the arrangement is effective. The list below provides a suggestion of the costs that need to be considered, but is not deemed to be exhaustive:
  - 11.3.1 IT costs of setting up access to the other's systems, plus potentially new IT equipment to enable better facilities for staff.
  - 11.3.2 Property and facilities costs – there may be a need to acquire additional desks and chairs, etc. to ensure that all officers can be accommodated at each site.
  - 11.3.3 It is not anticipated that there will be any redundancy costs at this stage as all officers will be transferred across to Gravesham Borough Council. However, this may need to be considered moving forward, should a revised structure identify posts that are not required.

## **12. Legal Implications**

- 12.1 Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the majority of licencing and registration functions cannot be the responsibility of the Leader and Cabinet. These matters are dealt with by the Licensing and Safety Committee and its Sub-Committees under delegations by Full Council.
- 12.2 A limited number of licensing functions are executive functions – for example scrap metal dealers licensing.
- 12.3 Section 101(1) of the Local Government Act 1972 allows local authorities to delegate non-executive functions to other local authorities. The Local Authority (Arrangement for the Discharge of Functions) (England) Regulation 2012 made under section 9EA of the Local Government Act 2000 allows local authorities to delegate executive functions to other local authorities. Under the Local Government Act 2000, the default position is that a function is an executive function unless specific provision provides that they are non-executive. The Local Authority (Functions and Responsibilities) (England) Regulations 2000 sets out the specific functions that are non-executive.
- 12.4 Medway Council's Full Council will consider whether to make a delegation of its Licensing Service functions to Gravesham Borough Council. The delegation must be formally accepted by Gravesham Borough Council, and once accepted, Gravesham will become statutorily responsible for Medway's licensing service functions as though it were its own functions in terms of the administration and enforcement services. Each authority will retain their current decision making powers. The Licensing and Safety Committee has agreed to recommend Full Council to delegate all non-executive Licensing

functions already delegated to the Chief Legal Officer to GBC's Assistant Director (Communities) also to facilitate the day-to-day work of the team and the Chief Legal Officer to monitor performance on behalf of Medway Council. It is recommended that Cabinet delegate the executive licensing functions referred to to GBC's Assistant Director (Communities) A copy of an extract from the Scheme of Delegations, section 6.15, is attached as Appendix 2 and a flow chart showing how Medway and GBC's delegations mirror each other is attached as Appendix 3.

- 12.5 The final shared service agreement will need to reflect the arrangements made for the shared service as set out in the reports and decision notices and in particular the monitoring and reporting requirements will need to be sufficiently detailed to ensure that Medway can continue to operate their licensing and overview and scrutiny committees, having sufficient access to staff, resources and information to discharge functions retained by them.
- 12.6 In the interim, a partnership/joint-working arrangement has been made pursuant to section 113 of the Local Government Act 1972, which allows a local authority to place any of its officers, who consent to the arrangement, at the disposal of another local authority on such terms as may be agreed between the parties. The making of agreements with other local authorities for the placing of staff at the disposal of those local authorities is a local choice function and may therefore be either a matter for the Leader and Cabinet of Full Council depending on local arrangements.
- 12.7 The Local Authorities (Goods & Services) Act 1970 allows local authorities to contract with each other for the supply of any goods or materials, the provision of any administrative, professional or technical services, the use of any vehicle, plant or apparatus and the placing at the disposal of any person employed in connection with the vehicle or other property in question. The parties can also contract with each other in the interim for the provision of back office functions related to the operations of their licensing teams.

### **13. Recommendation**

13.1 Council is requested to:

- 13.1.1 Note the comments and decisions of the Licensing and Safety Committee, Business Support Overview and Scrutiny Committee and the Cabinet, as appropriate, as set out in sections 8, 9 and 10 of the report.
- 13.1.1 Agree option one set out in paragraph 5.1 of the report whereby Medway Council shall delegate responsibility for the discharge of its Licensing Service non-executive functions to Gravesham Borough Council.

13.1.2 Agree that all non-executive licensing delegations currently with the Chief Legal Officer can also be exercised by Gravesham Borough Council's Assistant Director (Communities).

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**Appendices**

Appendix 1 – Business Case

Appendix 2 – Extract from Scheme of Delegation

Appendix 3 – Flow Chart of Delegations

Appendix 4 – Draft Service Level Agreement

**Background Papers:**

Report to Licensing and Safety Committee – 26 June 2018

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=42373>

Report to Business Support Overview and Scrutiny Committee – 5 July 2018

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=42549>

Report to Cabinet – 10 July 2018

<https://democracy.medway.gov.uk/ieListDocuments.aspx?CId=115&MId=4052>





## **Shared Services Business Case**

# **Licensing**

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Head of Legal Services, Local Land Charges and Licensing at Medway Council

**Client:** Gravesham Borough Council and Medway Council

**Date:** June 2018

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1. Business Case History
2. Detailed Risk and Opportunity Assessment
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## **1. Introduction and Strategic Requirements of the Service**

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### **1.1 Scope for shared service/joint working arrangements**

Gravesham Borough Council currently operates a small Licensing team with a Manager and two officers. Medway Council operates a slightly larger Licensing Team with a Manager (who is also responsible for Land Charges) and seven officers.

The Licensing and Land Charges Manager at Medway Council took early retirement at the end of April, and as such, this has allowed an opportunity to explore the way in which the Licensing service could be managed across the two authorities.

### **1.2 Potential stakeholders/partners**

Gravesham Borough Council and Medway Council (employees and Members).

### **1.3 Current service provision arrangements of potential stakeholders/partners**

The current services are operated in-house. At Gravesham Borough Council the Licensing department sits within the Communities directorate, reporting to the Assistant Director (Communities). At Medway Council the Licensing department sits within Legal & Corporate Services and reports to the Chief Legal Officer.

### **1.4 Contribution to key council objectives**

At Gravesham Borough Council, the Licensing Team is a key service and supports the delivery of one of council's key objectives;

- Objective 1 – Safer Gravesham
  - Enforce the licensing requirements for premises selling alcohol, providing entertainment and also for taxi/private hire licences.

Specifically, the team have three goals detailed within their business plan:

- Goal 1 - To efficiently licence and effectively regulate premises licenced under LA03, GA05, SMDA 2013 and Sch 3 of LG(MP)A 1982, and drivers/vehicles/operators licenced under TPCA 1847 and LG(MP)A 1976
- Goal 2 - To engage effectively with stakeholders in delivering the various functions within the Licensing Section
- Goal 3 – Continue to recover debts owed to the council and maximise income

At Medway Council, the Licensing Team play a key role in the delivery of the following: -

- Medway: A place to be proud of – A Great place to live, work, learn and visit
  - A programme built around our culture, tourism and regeneration strategies. By building on what makes Medway unique – such as our heritage and sporting legacy – Medway on the Map promotes Medway as a great place to live, work, learn and visit. By doing this we (1) increase the number of visitors, generating spend in the area, (2) attract new and innovative businesses, creating jobs and investment, as well as helping Medway businesses flourish, and (3) are seen as leaders, innovating public services, which open up opportunities for funding.

- Ways of working – Giving value for Money (priority)
  - We are committed to delivering efficient and effective services for Medway residents, businesses and visitors
- Specifically, the policy vision for the licensing service:
  - The Licensing Authority wants Medway to be a great place to live, work and visit, with a wide choice of high quality and well maintained licensed venues within a safe environment, while supporting and promoting the growth of our towns, district centres and developing communities.

## 1.5 Statutory Obligations

There are a number of statutory responsibilities in relation to the Licensing Service. Specifically, these include the issuing of licences/permits in respect of the following statutory duties, including the regulation and enforcement of these:

- Licensing Act 2003 and associated amending legislation.
- Gambling Act 2005
- Scrap Metal Dealers Act 2013
- Sex establishment and sexual entertainment venue licences under schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 and all associated amending legislation
- Town Police Clauses Act 1847 and Local Government (Miscellaneous Provisions) 1976 and all associated amending legislation in relation to taxi drivers, vehicles and operators
- House to House Collections Act 1939 and the Police, Factories etc. (Miscellaneous Provisions) Act 1916 (for street collections)
- To maintain all statutory registers as required and to draft statutory licensing policies and revise the same in accordance with statutory timescales

## 2. Strategic and Operational Benefits of Joint Working

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### 2.1 Strategic Benefits

Benefit	Measure
Improved service resilience in times of need, i.e. staff shortages due to vacant posts or staff sickness	Sustain and/or improve performance delivery of the service.
Cashable savings – through the restructuring and amalgamation of teams a reduction in staff numbers <i>could</i> be achieved whilst maintaining high levels of performance.	Value of savings Reduce number of FTE
Reduce duplication by providing one set of training to all staff.	Reduce costs, VfM

Benefit	Measure
Greater opportunity for the Managers to utilise staff resources more efficiently (opportunity for staff to 'specialise' more effectively).	Improved efficiency Sustain and/or improve performance on key PI's
Provides development opportunity for Manager to oversee a larger team.	Improved performance

### 3. Constraints and Dependencies

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#### 3.1 Constraints to the project progressing

There is a need to be aware of and give consideration to any constraints which may affect the delivery of the shared service:

- *Organisational Constraints*
  - Agreement between the two councils on the viability of a shared service arrangement
  - Agreement between the two councils on the scope/type of shared service arrangement.
  - Agreement by the Members at the two councils for the progression of a shared service arrangement.
  - Legal requirements/obligations that may need to be met by progressing any particular option.
  - Potential differences in service delivery, price of licenses, mandatory training, etc.
- *Resource Constraints*
  - Potential resistance from team members to change.
  - Cultural difference – both in terms of organisational set-up and demographic.
  - Staff currently located at Gravesend and Medway may be required to travel to a different office.
  - HR issues; staff are currently on different terms and conditions.
- *Time Constraints*
  - Whilst there is no specific timeframe set for the implementation of a shared service, there will be a need for this to progress fairly swiftly due to the manager role vacancy arising at Medway Council. An interim management arrangement is in place to assist in covering any immediate issues in the short-term.

### **3.2 Dependencies for the project progressing**

There is a need to be aware of and give consideration to any specific dependencies which are critical to the delivery of the shared service:

- Access to each authority's back office IT systems at both sites.
- Ensuring there is no adverse impact on customers (internal and external) at either authority
- Good communication of the changes that are being made at both authorities to all customers/potential customers.
- Good communication of project milestones, targets and issues that may affect viability/timing of the achievement of this project to all key project officers, senior managers involved and officers within existing teams at both authorities.

## **4. Legal and Constitutional/Governance Issues**

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- 4.1** The partnership/joint-working arrangement was made pursuant to section 113 of the Local Government Act 1972 with effect from 1 May 2018, allows a local authority to place any of its officers, who consent to the arrangement, at the disposal of another local authority on such terms as may be agreed between the parties.
- 4.2** Under the Local Authority (Arrangement for the Discharge of Functions) (England) Regulation 2012 (Functions Regulations), licencing functions are largely non executive and decision making has to be made by Full Council for both authorities.
- 4.3** At Medway Council, the constitution gives delegated authority for the exercise of licensing functions, other than those reserved to Full Council to the Chief Legal Officer. Therefore under Option 1 as part of the Full Council decision, Medway will need to mirror this delegation to GBC's Assistant Director (Communities) for the purposes of undertaking the day-to-day work of the Licensing team as well as continuing to delegate its officer making powers to Medway's Chief Legal Officer to enable the CLO to monitor the performance of the shared service. No additional powers have been delegated to GBC, this is merely a practical way of enabling GBC's team to undertake this work and it will continue to be overseen by Medway's Chief Legal Officer.
- 4.4** Medway Council's full council will consider whether to delegate their Licensing Service functions to Gravesham Borough Council. That delegation must be formally accepted by Gravesham Borough Council, and once accepted, Gravesham will become statutorily responsible for Medway's licensing services functions as though it were its own functions. In accordance with Article 11 of the Gravesham constitution, the acceptance of a delegation of functions from another local authority must be accepted by a decision of Gravesham's Full Council.
- 4.5** For the avoidance of doubt both partner authorities will retain their decision making powers relating to licensing matters through the existing Committees, Cabinet and full Council just as they do currently, for example, approving each authority's own gambling and taxi policy.. It is only the day-to-work work of the Licensing teams that will be shared.

- 4.6** The final shared service agreement will need to reflect the arrangements made for the shared service as set out in the reports and decision notices and in particular the monitoring and reporting requirements will need to be sufficiently detailed to ensure that Medway can continue to operate their licensing and overview and scrutiny committees, having sufficient access to staff, resources and information to discharge functions retained by them. The agreement will include an escalation procedure to be followed in the event that there is any dispute between the council's as to how to proceed with a particular matter, initially at Assistant Director level and ultimately decided upon by the Chief Executives of both authorities.
- 4.7** The Local Authorities (Goods & Services) Act 1970 (Goods & Services Act) allows local authorities to contract with each other for the supply of any goods or materials, the provision of any administrative, professional or technical services, the use of any vehicle, plant or apparatus and the placing at the disposal of any person employed in connection with the vehicle or other property in question. The parties can also contract with each other in the interim for the provision of back office functions related to the operations of their licensing teams.

## **5. Equalities Impact Assessment**

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- 5.1** It is anticipated that there will be no impact on customers of the service (both internal and external) in terms of equalities with the development of the shared service. Whilst the officers at each site will not remain constant i.e. officers will work at both sites, they will remain contactable no matter which site they are based at.

## **6. Risks**

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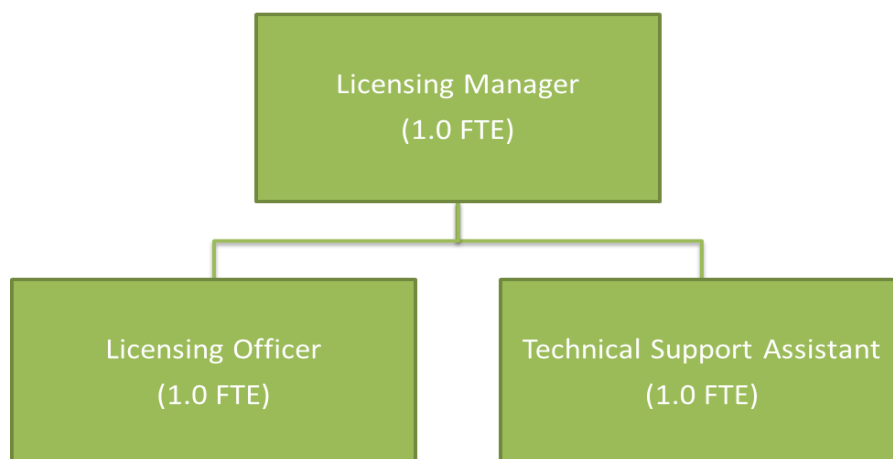
### **6.1 'Do Nothing' Risks – if there is no change to existing arrangements**

<b>Risk identified</b>	<b>Action to mitigate risk</b>
Limited resilience to cover periods of high volumes of work, staff turnover or sickness.	Pursue options for joint working or work more closely together.
Limited budget savings and VfM efficiencies.	Select option that will maximise savings & VfM whilst still providing a resilient service for both sites.
Performance levels – limited opportunities to further improve and performance may even drop at times of high workload or sickness.	Pursue options for joint working or work more closely together
Possibility of being unable to adapt to changes quickly enough due to capacity issues.	Pursue options for joint working or work more closely together.

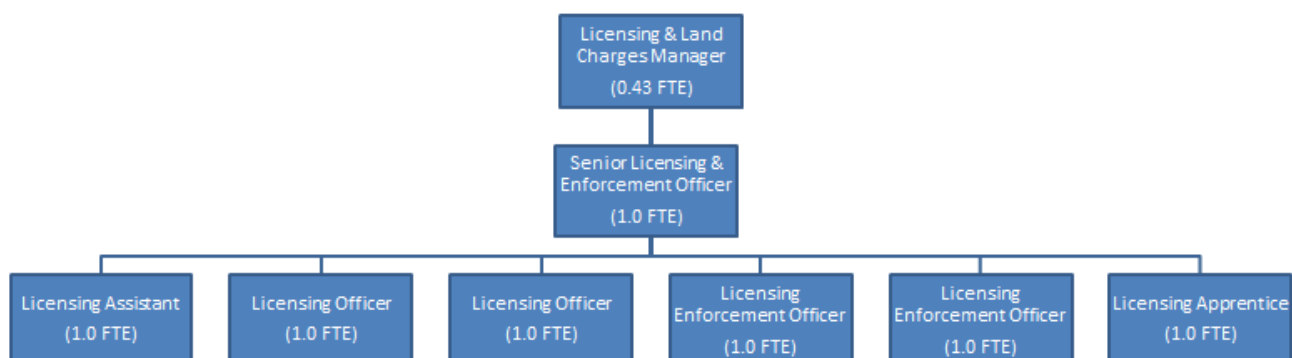
## 7. Existing Working Arrangements

### 7.1 Departmental Structures

Gravesham Borough Council:



Medway Council



### 7.2 Summary of current arrangements –

	Gravesham BC	Medway Council
<b>Service, Staffing and salary details:</b>		
<b>Salary costs (excluding oncosts)</b>	£81,610	£159,518
<b>Salary costs (including oncosts)</b>	£101,670	£204,113

	Gravesham BC	Medway Council
<b>Staff numbers (FTE)</b>	3.0	7.43
<b>Staff numbers (actual)</b>	3.0	8.0
<b>Scope of service</b>	<p>Issuing of licences/permits in respect of the relevant statutory duties, including the regulation and enforcement of these (in line with relevant legislation).</p> <p>To maintain all statutory registers as required and to draft statutory licensing policies and revise the same in accordance with statutory timescales</p>	<p>Issuing of licences/permits in respect of the relevant statutory duties, including the regulation and enforcement.</p> <p><b>NB:</b> Enforcement for Street Trading and Scrap Metal are carried out by the FLTF Wardens under an SLA and paid for out of the licensing budget)</p> <p>To maintain all statutory registers as required and to draft statutory licensing policies and revise the same in accordance with statutory timescales</p>
<b>Current IT systems in use</b>	<p>IDOX Uniform for logging and processing</p> <p>EasyBadge for creating all ID cards/badges, etc.</p> <p>VIP-System for creating vehicle plates</p> <p>Microsoft Office for general admin usage</p>	<p>IDOX Acolaid – will migrate to Uniform</p> <p>VIP Badge &amp; Plating System</p> <p>Microsoft Office for general admin usage</p>
<b>Performance levels:</b>		
<b>Licensing Act 2003:-</b>		
<i>Number of TENs applications received</i>	2015-16: 161 2016-17: 169 2017-18 196	2015-16: 334 2016-17: 308 2017-18 328
<i>% of TENs issued within statutory timescale</i>	2017-18: Q1: 100% Q2: 100% Q3: 100% Q4: 100%	2017-18: Q1: 100% Q2: 100% Q3: 100% Q4: 100%

	Gravesham BC		Medway Council	
<i>Number of Personal Licence applications received</i>	2016-17:	82	2016-17:	318
	2017-18	64	2017-18	320
<i>Number of premises/club applications received under the Licensing Act 2003 - New, Transfers, Change of DPS, etc.</i>	2016-17:	Unknown	2016-17:	353
	2017-18	99	2017-18	337
<b>Number of LA03 applications considered by the Licensing Panel:</b>				
2015-16	<i>Applications</i>	2	8	
	<i>Reviews</i>	4	4	
2016-17	<i>Applications</i>	3	8	
	<i>Reviews</i>	0	7	
2017-18	<i>Applications</i>	0	6	
	<i>Reviews</i>	0	6	
2018-19 (to date)	<i>Applications</i>	0	0	
	<i>Reviews</i>	0	0	
<b>All Licenses:-</b>				
<i>Number of current licences as at 15.05.18 (broken down by type of licence):</i>				
<i>Premises</i>		284	814	
<i>Clubs</i>		28	53	
<i>SEV</i>		1	1	
<i>Street Trading</i>		1	43	
<i>Scrap Metal Site</i>		5	6	
<i>Scrap Metal Collector</i>		3	8	
<i>Gambling - Betting</i>		10	28	
<i>Gambling – Bingo</i>		0	2	
<i>Gambling - FEC</i>		0	1	
<i>Gambling - AGC</i>		2	13	



	Gravesham BC		Medway Council	
<i>Gambling – Licenced premises GMP</i>	7		20	
<i>Gambling – Notification of 2 or less</i>	54		96	
<i>Gambling UFEC</i>	0		0	
<i>Hackney Carriage Vehicles</i>	153		501	
<i>Hackney Carriage Drivers</i>	171		484	
<i>Private Hire Vehicles</i>	55		247	
<i>Private Hire Drivers</i>	21		174	
<i>Restricted Private Hire Drivers</i>	41		173	
<i>Private Hire Operators</i>	24		41	
<b>Taxi and Private Hire:-</b>				
<i>Number of applications received for Hackney Carriage &amp; Private Hire Driver Licence New and Renewal (renewals every 3 Years)</i>	2016-17	96	2016-17	182
	2017-18 (Q1 – Q3)	97	2017-18 (Q1 – Q3)	441
	<b>NB</b> :New applicants must achieve a pass mark on the knowledge test before able to apply		<b>NB</b> : New applicants must achieve a pass mark on the knowledge test before able to apply.	
<i>Number of Private Hire Operator Licence applications/renewals</i>	2016-17	15	2016-17	182
	2017-18	22	2017-18	566
	2018-19 (expected)	9	2018-19 (expected)	184
<i>Number of applicants undertaking the Taxi Driver Knowledge Test</i>	2017-18: (approx.)	64	2017-18:	389
	2018-19 (expected)	100	2018-19 (expected)	389
<b>Gambling</b>				
<i>Number of applications rec. under The Gambling Act 2005 - Permits, lotteries, charities etc.</i>	2016-17	35	2016-17	63
	2017-18	39	2017-18	57
<b>Scrap Metal</b>				
<i>Scrap Metal site applications and renewals</i>	2016-17	3	2016-17	11
	2017-18	0	2017-18	6

	Gravesham BC		Medway Council	
<i>Scrap Metal collector applications and renewals</i>	2016-17	3	2016-17	27
	2017-18	0	2017-18	18
<b>Compliance and Enforcement</b>				
<i>Compliance Inspections and Checks -</i>				
<i>Taxi related</i>	Figures unavailable. All vehicles inspected as pre-requisite to licence, as well as ad-hoc at rank, etc.		2016-17	434
			2017-18	357
<i>Licensing Act related</i>	LA03 inspections are carried out following intel of issue or significant change, e.g. new licence holder/DPS/variation		2016-17	408
			2017-18	431
<i>Gambling Act Related</i>	All Gambling premises routinely inspected annually unless intel of issue received		2016-17	99
			2017-18	64
<i>Enforcement interviews and Visits -</i>				
<i>Taxi related</i>	Figures unavailable as not recorded in retrievable format		2016-17	189
			2017-18	151
<i>Licensing Act related</i>			2016-17	51
			2017-18	59
<i>Gambling Act Related</i>			2016-17	0
			2017-18	1
<i>Complaints (reactive compliance &amp; Enforcement) -</i>				
<i>Taxi related</i>	2016-17	59	2016-17	77
	2017-18	43	2017-18	63
<i>Licensing Act related</i>	2016-17	9	2016-17	43
	2017-18	17	2017-18	31
<i>-Gambling Act Related</i>	2016-17	0	2016-17	3
	2017-18	0	2017-18	3

	Gravesham BC	Medway Council
<b>Policy Review Dates</b>		
Statement of Gambling Policy	Due to be drafted to come into force in January 2019	Currently being drafted to come into force in January 2019
Taxi Policy	Currently under review and out to public consultation. Updated version to come into force 1 May 2018 for 3 years	Taxi Policy to be drafted this spring/summer to come into force in April 2019
Statement of Licensing Policy (including CIP's and Stress Areas)	Due to be drafted to come into force in April 2019	Currently out to consultation – due to come into force on 1 May 2018
Sexual Entertainment Venue Policy	Due to expire 31 March 2020	Last one came into force October 2012 – renewal date yet to be determined
Taxi Tariff Review	Two-yearly review due to be reviewed by September 2018	Reviewed on ad-hoc basis, although usually annually (Sept/Oct) upon request and proposed amendments from the Medway Licensed Taxi Drivers Association (MLTDA).

**7.3** Appendix three provides a further analysis of performance across comparable service areas highlighting the percentage split of activities between Gravesham and Medway.

## **8. Finance & IT Considerations**

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**8.1** In order to further review the potential for a shared service in this area, early consideration has been given to the identification of any specific finance and IT constraints that need to be taken into account:

- *Financial Considerations*

The Medway Council Licensing and Land Charges Manager post will not form part of the savings to be made by Medway as this has already been taken. Further savings are anticipated as part of a shared service.

The sum of £12,000 per year is paid as part of an SLA to Medway Council's Environmental Services team for work carried out in respect of compliance and enforcement of street trading and scrap metal. If this arrangement ceases, the

£12,000 will need to be transferred to Environmental Services to ensure they do not have a budget pressure due to the shared service.

Fees and charges will be set by the individual Authorities but the total income will have a bearing on the overall service as it should be cost recovery only.

Income from Operator licences and Taxi Driver licences are paid in advance for a three year period. In 2016/17 income relating to Operator licences at Medway was not accrued in error and therefore there will be a shortfall on income of £4,585 for 2018/19. However, this will have no impact on the shared service as income will be retained and monitored separately at each local authority, as it is now.

As Licensing is an income generating service, there is a need to ensure that the method of receiving and allocating income is considered early on in the implementation phase to ensure there are no potential financial issues in this area. A number of other authorities have implemented shared services in these areas and finance colleagues have been in contact with these local authorities to learn from the way in which they have overcome this element of the financial budgets. The advice received has been to keep the two local authorities fees entirely separate. Discussions are taking place with software providers about the possibility of purchasing a “connector” which will enable a Medway resident to access licensing forms via Medway Council’s website, which will automatically link to GBC’s website and when a payment is made the fee will be directed to the relevant local authority. The costs are yet to be confirmed but are likely to be approximately £2000 per annum for the software and £3600 for the connector to redirect the fees, which will save administration costs in redirecting the payments if one local authority was to collect the fees.

The costs of the shared service are likely to be shared in accordance with the level of activity undertaken by each team currently. The figures are still being analysed by the finance teams but it is anticipated that the costs are likely to be split 20/80% or 30/70% between GBC and Medway Council.

- *IT Considerations*

Gravesham currently use IDOX for Licensing and Medway has recently procured the IDOX Uniform although the Licensing data at Medway is still held within the Accolade system. IDOX do provide a specific shared service platform but in order to use this, there would be a need to ensure that the property/street gazetteer data at both authorities is held in the same way and is uploaded to the shared system.

A key timeframe that may impact on the timing of the implementation of the shared service is the lead in time for the integration to IDOX at Medway. Potentially, there is a three-month lead in time to this so the proposed implementation date of 1 November 2018 should be feasible but this will have to be monitored throughout the project.

There are no concerns or potential issues raised in terms of the data being passed to Gravesham to progress this side of the implementation, should members approve the proposals set out within the business case.

Gravesham would provide all of the IT Equipment at both the Gravesham and Medway site and it is not anticipated that this will be an issue from either the IT side of things or the allocation of space within both sites for the shared team. There is a need to consider the type of IT equipment that would be most suitable for the officers to ensure that they are able to be as flexible as possible in any new working arrangement. This is still being explored by both ICT teams who

have already met with their IDOX account manager to look at options for migrating the data.

- *Legal Considerations*

There will be a need for all officers to be 'authorised to operate within the Medway Council area. As they will be GBC officers a formal process has to be followed to enable them to work across both authority areas. It is not however, felt that this is an issue but is something that does need to be considered and in place before the shared service is fully implemented. This can be achieved by appropriate delegations from full council to Medway Council's Chief Legal Officer to monitor progress of the shared service and to GBC's Assistant Director (Communities).

**8.2** The key thing to note is that officers from both Finance, IT Services and Legal do not feel that there are any specific issues which would create a 'barrier' to the progression of the shared service.

## **9. Cost/Benefit Evaluation of proposed option**

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### **9.1 Option 1 – A full shared service for Licensing; TUPE transfer of all Medway Council staff to Gravesham Borough Council**

<b>Project</b>	<b>Responsible Lead</b>	<b>Other Stakeholders</b>	<b>Implementation options</b>
To TUPE transfer the current Medway Licensing Team officers to Gravesham Borough Council to form one shared pool of officers.	Sarah Kilkie, Assistant Director (Communities) at Gravesham Borough Council  Perry Holmes, Chief Legal Officer at Medway Council	All members of the Licensing Teams at both authorities.  Members at both authorities.	Proposed implementation date of 01 November 2018.

Given the current staffing situation across the two authorities, it is felt that an ad hoc management arrangement be put in place from 1 May 2018, with the Gravesham Borough Council Licensing Manager providing managerial support until such a time that the full shared service is implemented.

### **9.2 Scope of the Shared Service**

The shared service for Licensing will include the following functions:

- Issuing of licences/permits in respect of the relevant statutory duties, including the regulation and enforcement.
- Maintenance of all statutory registers as required and to draft statutory licensing policies and revise the same in accordance with statutory timescales.
- Maintenance of policies that are in place as 'good practice' i.e. not a statutory requirement but are an important aide to the service delivery.

Medway Council currently provide Enforcement for Street Trading and Scrap Metal services through a Service Level Agreement with Environmental Health officers with

inspections carried out by FLTF Wardens. It is assumed, at this stage, that this will continue and as such will not be included in the scope of the shared service.

### 9.3 HR Considerations

It is anticipated that from 1 November 2018, Medway Council employees will TUPE transfer to the employment of Gravesham Borough Council as a simple 'lift and shift' exercise i.e. officers employment may potentially change but their roles will not.

Following the TUPE transfer employees will maintain their continuous service from Medway Council and continue on the same terms and conditions of employment (pension, salary, holiday entitlement etc) which they were entitled to prior to transfer.

At a later stage, a review of the staffing structure within the service may be undertaken in order to ensure that staff are properly aligned to ensure efficient service delivery. Employees will be fully consulted with in line with the Council's policy prior to any review being implemented.

### 9.4 Key benefits/disadvantages of the arrangement

BENEFITS	DISADVANTAGES
Potential savings in respect of service provision – budgets can be aligned, potential software savings, reduced training costs etc.	TUPE transfer may result in staff on different terms and conditions but working on the same activities (if a restructure is not undertaken either at the transfer stage or at a later date).
Better resilience across the service – officers able to work on the delivery of the Licensing service of either authority.	Staff may need to travel across the sites as required which may lead to increase costs (due to additional travel for officers)
Continued presence will be provided at each site.	The officers present at each site may differ on a 'day-to-day' basis.
Align policies & procedures to achieve best practice across both sites.	Staff needing to learn and adopt new policies which may be unfamiliar to them may lead to service delays.
Economies of scale with regards to certain core functions such as printing, photocopying, mailing out of correspondence, receipt of correspondence at one sight and the aligning of the Scanning & Indexing functionality.	

### 9.5 Risk and Opportunity Assessment

A detailed risk and opportunity assessment for the shared service and this option in particular has been developed and is attached at appendix one to the business case.

### 9.6 Financial Analysis

The implementation of the shared service will, amongst other benefits, deliver financial savings for both authorities in the longer-term, although it is accepted that

there will also be some costs that need to be factored in to the overall financial analysis:

#### *Potential budgetary savings*

These are yet to be finalised by the finance teams. While it is anticipated that savings at this stage will be limited the shared service will bring significant other benefits in particular resilience and efficiencies brought about by digitalisation of the Medway Council Licensing service, utilising the experience of the Gravesham Licensing team to achieve this.

#### *Costs including Investment/set-up costs*

- Travel Costs

There would be a need to compensate officers whose normal working base will be changing if this means additional travel to and from the place of work. This will form part of the TUPE transfer protected terms and conditions if necessary. This would potentially include additional mileage and/or bus and train fares and would need to be protected for a set period.

In addition, there needs to be ongoing budget provision for travel expenses as officers may be required to attend visits at other locations across both boroughs, which may result in a marginal increase in travel costs.

- IT Costs

There will potentially, be additional costs in ensuring that all officers across the shared service have 'like for like' equipment at both sites as well as enabling officers to work in a more mobile manner.

In addition, there will be costs associated with the migration of Medway Council data onto the Gravesham IDOX system. Quotes for this piece of work are in the process of being obtained, although there is recognition that Medway Council were due to migrate their data to IOX before the shared service proposal was discussed.

- Property and facilities costs

Whilst this is not anticipated to be a significant cost, there will potentially be a need to acquire additional/new desks and chairs etc. At this stage it is felt that there is sufficient space at both sites to accommodate the shared service but this will be reviewed in more details should approval for progressing the shared service be received.

### **9.7 Evidence of similar projects (where applicable)**

There are a number of shared services in place for the delivery of Licensing services:

- *Licensing Partnership - Basingstoke and Deane Borough Council and Hart District Council*

A shared Licensing Team bringing together the knowledge, expertise and skills across two councils to provide a cohesive, high quality service to our residents.

- *Public Protection Partnership - West Berkshire Council, Wokingham Borough Council and Bracknell Forest Borough Council*

A fully integrated service incorporating Environmental Health, Licensing and Trading Standards, developed to initiate a joint committee made up of elected members from each of the 3 partner authorities, a joint management board which

advises the committee on strategic matters and a joint management team which oversees Operational delivery.

- *Southampton and Eastleigh Licensing Partnership - Southampton City Council and Eastleigh Borough Council*  
This is not a collaboration to save money. Resilience and cost effectiveness of front line function.



# Appendices

## 1. Business Case History

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### 1.1 Revision History

Revision Date	Summary of changes	Changes marked
19 February 2018	First draft of business case with initial information regarding the proposed shared service included. Shared with key officers for further development.	--
22 February 2018	Revised draft of the business case following discussion with officers from IT Services and Finance.  Structure of document also changed marginally in line with other business cases that are in the process of being developed to ensure consistency.	Section 8 and 9 updated.
02 March 2018	Revised draft of the business case to be presented to the GBC Management Team (draft for potential presentation to Members)	Section 7 – performance data updated for both GBC and Medway.

### 1.2 Approvals

This document requires the following approvals:

Name	Job title	Date Approved
Perry Holmes	Monitoring Officer Medway Council and Gravesham Borough Council	
Stuart Bobby	Section 151 Officer Gravesham Borough Council	
Phil Watts	Section 151 Officer Medway Council	

## 2. Detailed Risk and Opportunity Assessment

### Licensing Shared Service

#### Risk and Opportunities Assessment

Risk opportunity				Likelihood				Risk threat
4	4	3	3	A Very high 1:2 probability	3	3	4	4
4	4	3	2	B High 1:10 possible	2	3	4	4
4	3	3	2	C Significant 1:50 possible	2	3	3	4
3	3	2	1	D Low 1:80 possible	1	2	3	3
3	2	1	1	E Very low 1:100 possible	1	1	2	3
2	2	1	1	F Almost impossible 1:1000 possible	1	1	2	2
Transformative	Major	Moderate	Minor		Minor	Moderate	Major	Catastrophic
<b>Positive impact</b>					<b>Negative impact</b>			
Multiple objectives exceeded	Objectives delivered significantly early, better or cheaper	Objective delivered moderately early, better or cheaper	Objective delivered early, better or cheaper	Objective driven (Customer, people, society or key performance)	Slippage and minor deviation	Failure to meet an objective	Failure to meet several objectives	Severe damage to the Council and its services
<b>Saving</b>				100% £500m	<b>Unforeseen expenditure</b>			
25%	10%	2.50%	0.25%	Budget driven (income, expenditure, contractors and budget allocation)	0.25%	2.50%	10%	25%
£125m	£50m	£12.5m	£1.25m		£1.25m	£12.5m	£50m	£125m

### Risk and Opportunities Assessment:

Ref.	Type	Description of Risk	Likelihood	Impact	Actions	Risk Owner (s)
<b>OVERARCHING RISKS AND OPPORTUNITIES</b>						
	R	There is a risk that there will not be political buy-in across the authorities, which may jeopardise the overall success of the shared working arrangements.	Very low	Moderate	Reports to the respective committee at Medway and Gravesham will be presented to Members to seek authority to progress the shared service.	
	R	The physical location of the shared service may present a risk in terms of maintaining service delivery i.e. the service being spreads across a wide geographical area.	Low	Major	A key principle of the shared service arrangements will be to maintaining a presence at each site, albeit it may be a reduced presence and not always the same officers.	Service Lead Officers
	R	There is a risk that authorities may lose staff as a result of the shared service, as some officers do not want to change their working practices.	Low	Moderate	Engaging HR experts at an early stage in any conversations regarding the shared services.  Ensuring staff are kept up-to-date and well informed about the shared service.  Enabling staff to have an input, where appropriate, in the set up of the shared service.	HR Experts  Service Lead Officers  Service Lead Officers

Ref.	Type	Description of Risk	Likelihood	Impact	Actions	Risk Owner (s)
<b>Service Specific Risks and Opportunities</b>						
	O	<p>There is an opportunity to share general working practices and experience across the authorities which will bring a number of benefits:</p> <p>Potential for reduction in purchasing of specialist staff as these skills may already be held by an officer in another authority.</p> <p>Opportunity to share procurement and therefore increase the purchasing power across the authorities.</p>	High	Moderate	Consideration should be given to making use of skills/experience in-house at the other authorities beyond the specific service being shared.	
	O	Training for taxi drivers on Safeguarding issues, especially Child Sexual Exploitation, to be shared across both councils, saving cost and increasing awareness of this local threat for both districts	High	Minor	The licensing process for taxi drivers to be compared between the districts. Adding more training dates for the taxi drivers	Service Lead Officers, Safeguarding Lead Officers
	O	Wider group of licensed premises to roll training/briefings out to and receive intel from. This will allow for a more co-ordinated and cost-effective approach.	High	Minor	The Safeguarding Team to keep abreast of current priorities and liaise with Licensing Managers to create action plans	Service Lead Officers, Safeguarding Lead Officers

Ref.	Type	Description of Risk	Likelihood	Impact	Actions	Risk Owner (s)
	R	There is a risk that it may be seen by customers/clients that the service is being provided from a different location and that officers will no longer be accessible.	Low	Moderate	An onsite presence will be maintained at both sites to ensure access to officers by customers as required.	Service Lead Officers
	R	Given that the GBC licensing team are currently located in the Community Safety Unit, there is a risk of serious Data protection breaches occurring if additional staff come to be based there, given the high level of confidential discussion happening between CSU staff, the police, etc.	Low	Major/catastrophic	Data Protection training for all staff	Service Lead Officers/ Data Protection Lead
	R	Local knowledge and trusting working relationships existing between taxi drivers and the current licensing teams could be jeopardised if the team members increase geographical area to cover both Gravesham and Medway.	Significant	Minor	Staff could continue to work on their existing areas, providing cover if necessary but specialising in their existing district.	Service Lead Officers

### 3. Breakdown of performance statistics

	Gravesham BC	Percentage Split	Medway Council	Percentage Split
<b>Current IT systems in use:</b>				
	IDOX Uniform for logging and processing		IDOX Acolaid – will migrate to Uniform	
	EasyBadge for creating all ID cards/badges, etc.		VIP Badge & Plating System	
	Microsoft Office for general admin usage		Microsoft Office for general admin usage	
<b>Performance levels:</b>				
<b>ALL LICENCES</b>				
<i>Total number of current licences in place as at 15-05-18:</i>	Number	%	Number	%
<i>Premises</i>	284	25.9	814	74.1
<i>Clubs</i>	28	34.6	53	65.4
<i>SEV</i>	1	50.0	1	50.0
<i>Street Trading</i>	1	2.3	43	97.7
<i>Scrap Metal Site</i>	5	45.5	6	54.5
<i>Scrap Metal Collector</i>	3	27.3	8	72.7
<i>Gambling - Betting Shops</i>	10	26.3	28	73.7
<i>Gambling - Bingo</i>	0	0.0	2	100.0
<i>Gambling - Family Entertainment Centres</i>	0	0.0	1	100.0
<i>Gambling - Adult Gaming Centres</i>	2	13.3	13	86.7
<i>Gambling - Licenced Premises Gaming Machine Permit</i>	7	25.9	20	74.1
<i>Gambling - Licenced Premises Notification of 2 or less machines</i>	54	36.0	96	64.0

		Gravesham BC	Percentage Split	Medway Council	Percentage Split
<b>ALL LICENCES</b>					
<i>Total number of current licences in place as at 15-05-18:</i>		Number	%	Number	%
<i>Gambling - Unlicensed FEC</i>		0	0.0	0	0.0
<i>Hackney Carriage Vehicles</i>		153	23.4	501	76.6
<i>Hackney Carriage Drivers</i>		171	26.1	484	73.9
<i>Private Hire Vehicles</i>		55	18.2	247	81.8
<i>Private Hire Drivers</i>		21	10.8	174	89.2
<i>Restricted Private Hire Drivers</i>		41	19.2	173	80.8
<i>Private Hire Operators</i>		24	36.9	41	63.1
<b>TOTAL No. and Average %</b>		<b>860</b>	<b>24.1</b>	<b>2705</b>	<b>75.9</b>
<i>Staff (for comparison)</i>		2	22.2	7	77.8
<b>LICENSING ACT 2003</b>					
		Number	%	Number	%
<i>Number of TENs applications received</i>	2016-17	168	35.3	308	64.7
	2017-18	196	37.4	328	62.6
	Average	182	36.4	318	63.6
<i>Number of Personal Licence applications received</i>	2016-17	82	20.5	318	79.5
	2017-18	64	16.7	320	83.3
	Average	73	18.6	319	81.4
<i>Number of premises/club applications received under the Licensing Act 2003 - New, Transfers, Change of DPS, etc.</i>	2016-17	Unknown	-	353	-
	2017-18	99	22.7	337	77.3



Gravesham BC	Percentage Split	Medway Council	Percentage Split
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*Number of LA03 applications considered by the Licensing Panel:*

Applications	2015-16	2	20.0	8	80.0
Reviews	2015-16	4	50.0	4	50.0
Applications	2016-17	3	27.3	8	72.7
Reviews	2016-17	0	0.0	7	100.0
Applications	2017-18	0	0.0	6	100.0
Reviews	2017-18	0	0.0	6	100.0
Applications	2018-19 (to date)	0	0.0	0	0.0
Reviews	2018-19 (to date)	0	0.0	0	0.0
	Q1	100	50.0	100	50.0
	Q2	100	50.0	100	50.0
	Q3	100	50.0	100	50.0
	Q4	100	50.0	100	50.0

**TAXI AND PRIVATE HIRE**

		Number	%	Number	%
<i>Number of applications received for Hackney Carriage &amp; Private Hire Driver Licence New and Renewal (renewals every 3 Years)</i>	2016-17	96	34.5	182	65.5
	2017-18	133	19.0	566	81.0
	2018-19 (expected)	95	34.1	184	65.9
<i>Number of Private Hire Operator Licence applications/renewals</i>	2016-17	15	26.8	41	73.2
	2017-18	22	36.1	39	63.9
	2018-19 (expected)	9	16.7	45	83.3

**TAXI AND PRIVATE HIRE**

Number	%	Number	%
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		Gravesham BC	Percentage Split	Medway Council	Percentage Split
<i>Number of applicants undertaking the Taxi Driver Knowledge Test</i>	2017-18	64	14.1	389	85.9
	2018-19 (expected)	100	20.4	389	79.6
	Average	82	17.4	389	82.6
<b>GAMBLING</b>					
		Number	%	Number	%
<i>Number of applications rec. under The Gambling Act 2005 - Permits, lotteries, charities etc.</i>	2016-17	35	35.7	63	64.3
	2017-18	39	40.6	57	59.4
	Average	37	38.1	60	61.9
<b>SCRAP METAL</b>					
		Number	%	Number	%
<i>Scrap Metal Site applications and renewals</i>	2016-17	3	21.4	11	78.6
	2017-18	0	0.0	6	100.0
<i>Scrap Metal Collector applications and renewals</i>	2016-17	3	10.0	27	90.0
	2017-18	0	0.0	18	100.0

Gravesham BC	Percentage Split	Medway Council	Percentage Split
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**COMPLIANCE AND ENFORCEMENT**

*Compliance Inspections and Checks*

<i>Taxi related</i>	2016-17	Figures unavailable. All vehicles inspected as pre-requisite to licence, as well as ad-hoc at rank, etc.	434
	2017-18		357
<i>Licensing Act related</i>	2016-17	LA03 inspections are carried out following intel of issue or significant change, e.g. new licence holder/DPS/variation	408
	2017-18		431
<i>Gambling Act related</i>	2016-17	All Gambling premises routinely inspected annually unless intel of issue received	99
	2017-18		64

*Enforcement interviews and Visits*

<i>Taxi related</i>	2016-17	Figures unavailable as not recorded in retrievable format	189
	2017-18		151
<i>Licensing Act related</i>	2016-17		51
	2017-18		59
<i>Gambling Act related</i>	2016-17		0
	2017-18		1

			Gravesham BC	Percentage Split	Medway Council	Percentage Split
<i>Complaints (reactive compliance &amp; Enforcement)</i>						
<i>Taxi related</i>	2016-17	59	43.4	77	56.6	
	2017-18	43	40.6	63	59.4	
<i>Licensing Act related</i>	2016-17	9	17.3	43	82.7	
	2017-18	17	35.4	31	64.6	
<i>Gambling Act related</i>	2016-17	0	0.0	3	100.0	
	2017-18	0	0.0	3	100.0	
<b>TOTAL</b>		<b>128</b>	<b>36.8</b>	<b>220</b>	<b>63.2</b>	

Description of delegation	Responsibility delegated from
<b>Chief Legal Officer</b>	
<p>6.15 Licensing and Registration:</p> <ul style="list-style-type: none"> <li>• Except where a decision is reserved to Full Council, to manage all licensing and registration functions of the Council including the licensing and registration of pleasure boats, hackney carriage and private hire, sex establishments, street and house to house collections, motor salvage, scrap metal dealers, street trading consents, common land and town or village greens and such other services as may be authorised.</li> <li>• With regard to Licensing Act 2003 matters, to determine:               <ul style="list-style-type: none"> <li>(i) An application for a personal licence, if no objection made;</li> <li>(ii) An application for a premises licence/club premises certificate, if no relevant representation made;</li> <li>(iii) An application for a provisional statement, if no relevant representation made;</li> <li>(iv) An application to vary a premises licence/club premises certificate, if no relevant representation made;</li> <li>(v) An application to vary a designated premises supervisor in all cases other than where there is a police objection;</li> <li>(vi) A request to be removed as a designated premises supervisor;</li> <li>(vii) An application for transfer of premises licence in all cases other than where there is a police objection;</li> <li>(viii) Applications for interim authorities in all cases other than where there is a police objection;</li> <li>(ix) A decision on whether a complaint is irrelevant, frivolous, vexatious, etc.</li> </ul> </li> </ul> <p>Note: A relevant representation is one which relates to the likely effect of the grant of the licence on the promotion of at least one of the four licensing objectives specified in the Licensing Act 2003 (Council 9 December 2004 &amp; 22 November 2007).</p>	<p>Council Leader/Cabinet</p> <p>Council</p>
<ul style="list-style-type: none"> <li>• With regard to the Licensing Act 2003 (Hearings) Regulations 2005 on matters to be referred to a Licensing Hearing Panel for determination:               <ul style="list-style-type: none"> <li>(i) Subject to (ii), to agree to dispense with a hearing, and give notice to that effect to the parties, if all persons required by the Act have given notice that they agree that such a hearing is unnecessary.</li> <li>(ii) If the agenda for a meeting of a Licensing Hearing</li> </ul> </li> </ul>	<p>Council / Licensing and Safety Committee</p>

Description of delegation	Responsibility delegated from
<p>Panel to consider the matter has been despatched, to consult Panel members before agreeing to dispense with the hearing and cancelling the meeting.</p> <p>(iii) Subject to (i) and (ii), to determine the matter under the Act.</p> <p>(iv) Subject to (v), to extend the time limits provided within these Regulations, and give notice to the parties stating the period of the extension and the reasons for it, where this is considered to be necessary in the public interest.</p> <p>(v) If the agenda for a meeting of a Licensing Hearing Panel to consider the matter has been despatched and extending a time limit would require the Panel to meet on an additional specified date or dates, to consult Panel members before agreeing to such an extension.</p> <p>(vi) Subject to Notes 1 and 2, to agree to adjourn (or postpone) a hearing to a specified date or arrange for a hearing to be held on specified additional dates where this is considered necessary for the consideration of any representations or notice made by a party.</p> <p>(vii) To notify forthwith the parties of the date(s), time(s) and place(s) of any reconvened or additional meetings for the hearing.</p> <p>Note 1: Once the agenda for a meeting of a Licensing Hearing Panel has been despatched, unless the hearing is cancelled because it is no longer required, the meeting must commence at the specified time, date and venue, so that the Panel may determine to adjourn the meeting to a later specified date or dates.</p> <p>Note 2: Extending a time limit or adjourning/re-arranging a hearing to a later date or dates may not have the effect that: (a) an application will be treated as granted or rejected under paragraph 4(4), 7(3), 16(4), 19(3) or 26(4) of Schedule 8 of the Act; or (b) there would be a failure to determine a review of a premises licence following a closure order under section 167 of the Act within the specified period.</p> <p>(viii) To disregard any information given by a party to the hearing or any person given permission to attend, which is not relevant to their application, representations or notice, and the promotion of the licensing objectives, having first given the</p>	

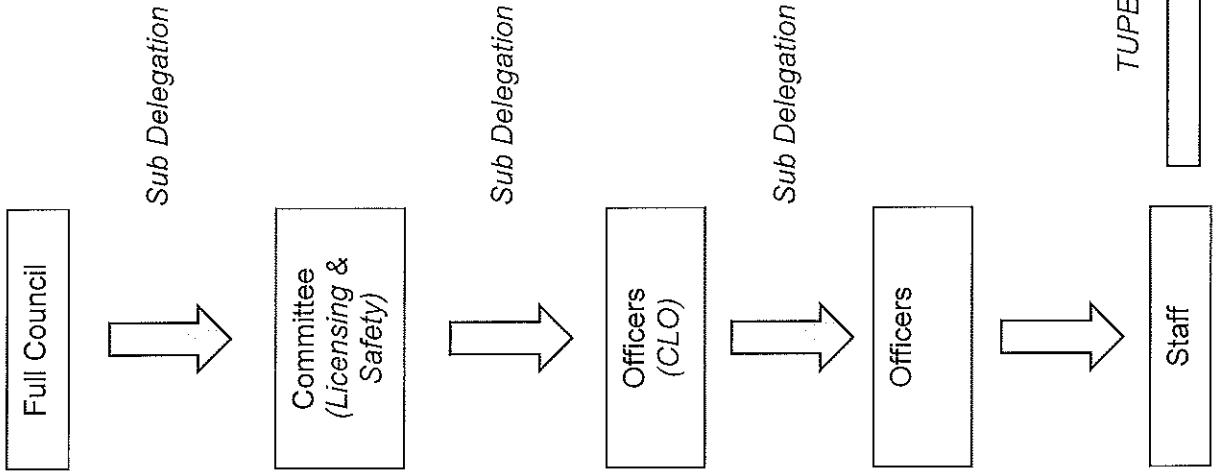
Description of delegation	Responsibility delegated from
<p>submitting party an opportunity to indicate why they believe the information to be relevant to the hearing.</p> <p>(ix) Subject to (x), to take such steps he or she thinks fit to cure any irregularity resulting from a failure to comply with any provision of the Regulations before a determination is made, if he or she considers that any person may have been prejudiced as a result of the irregularity.</p> <p>(x) If the agenda for a meeting of a Licensing Hearing Panel to consider the matter has been despatched, to consult the Chairman or Vice-Chairman of the Licensing and Safety Committee before taking steps to cure the irregularity.</p> <p>(xi) To correct any clerical mistakes in any document recording a determination or errors arising in such document from an accidental slip or omission.</p>	
<ul style="list-style-type: none"> <li>• With regard to the Gambling Act 2005, to determine: <ul style="list-style-type: none"> <li>(i) Fee setting (when appropriate);</li> <li>(ii) An application for a premises licence, where no representations received/representations have been withdrawn;</li> <li>(iii) An application for a variation to a licence, where no representations received/representations have been withdrawn;</li> <li>(iv) An application for a transfer of a licence, where no representations received from the Commission;</li> <li>(v) An application for a provisional statement, where no representations received/representations have been withdrawn;</li> </ul> </li> </ul>	
<p>(vi) An application for club gaming/club machine permits, where no objections made/objections have been withdrawn;</p> <p>(vii) Applications for other permits;</p> <p>(viii) A cancellation of licensed premises gaming machine permits;</p> <p>(ix) The consideration of a temporary use notice (Council 7 December 2006).</p> <ul style="list-style-type: none"> <li>• With regard to the Local Government (Miscellaneous Provisions) Act 1982, as amended by the Policing and Crime Act 2009; <ul style="list-style-type: none"> <li>(i) To grant any applications for sex establishments and sexual entertainment venues whereby no</li> </ul> </li> </ul>	

Description of delegation	Responsibility delegated from
<p>representations have been received and the Assistant Director is able to agree suitable conditions with the applicant.</p> <ul style="list-style-type: none"> <li>• With regard to the Scrap Metal Dealers Act 2013, to determine: <ul style="list-style-type: none"> <li>(i) Fee setting (when appropriate);</li> <li>(ii) Application for or renewal of a Site or Collector's licence, where no representations have been received from the applicant or where their representations have been withdrawn;</li> <li>(iii) Application for a variation to a licence, where no representations have been received from the applicant or where their representations have been withdrawn;</li> <li>(iv) To issue a closure notice on non-residential premises being used as a scrap metal dealer's site;</li> <li>(v) Application to the Magistrate's Court for a closure order;</li> <li>(vi) Termination of a closure order;</li> <li>(vii) Application to the Magistrate's Court to discharge a closure order;</li> <li>(viii) Revocation of a licence, where no representations have been received from the applicant or where their representations have been withdrawn;</li> <li>(ix) Consideration of an imposition of conditions;.</li> <li>(x) to determine applications, in consultation with the Licensing Sub-Committee, from applicants for licences under the Scrap Metal Dealers Act 2013 where the authority is minded to refuse, vary or revoke a licence and the applicant has given notice to the authority within the prescribed time that they require the opportunity to make representations about the proposal.</li> </ul> </li> </ul> <p>[Note: The functions outlined at (i) and (x) may not be sub-delegated, whilst those listed at (ii) to (ix) will be sub-delegated, in writing, to the appropriate licensing officer.</p>	Leader/Cabinet
<ul style="list-style-type: none"> <li>• With regard to the registration of land as a town or village green: <ul style="list-style-type: none"> <li>(i) to determine any application for the registration of land as a town or village green where there are no objections received to the application;</li> <li>(ii) to hold public inquiries prior to the determination of applications where necessary and to instruct Counsel in relation to the same.</li> </ul> </li> </ul>	Council

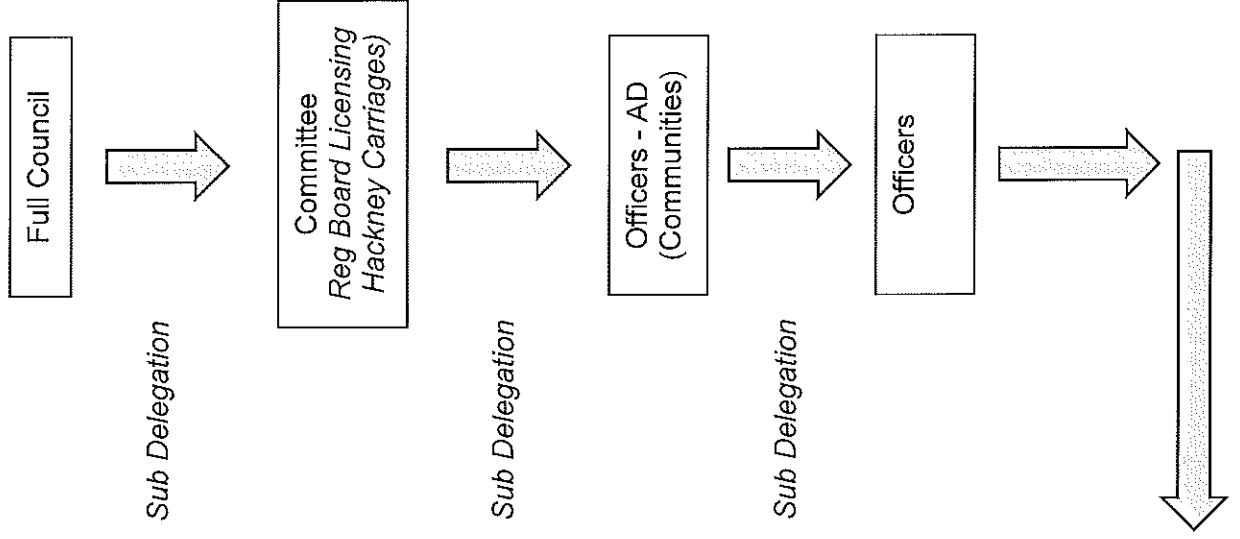


# Licensing

## Medway Council



## Gravesham Borough Council



**S101**  
*Statutory delegation of functions from one council to another*



**MATTERS FOR INCLUSION IN THE LEGAL AGREEMENT**

<b><u>Commitments from the GBC Licensing Manager</u></b>	<b><u>Evidence</u></b>	<b><u>Date Completed/Reviewed</u></b>
a. Maintain an office presence at Medway as well as Gravesham to maintain availability to local service users and keep this under review.	Rota	Weekly
b. Look for ways to improve enforcement activity across Medway.	Management Report	Quarterly
c. Attendance at Member/Committee meetings as required, and in accordance with the Medway municipal calendar.	Agendas and reports	Ongoing
d. Managerial Leadership and support to the Medway Licensing Team so as to ensure service delivery in accordance with statutory requirements and business plan.	KPI's	Monthly
e. Licensing policy development and review for adoption by Members in accordance with statutory and departmental deadlines and guidance.	Agendas and Reports	Ongoing
f. For the benefit of both councils, identify and share best practice across the 2 authorities	Management Report	Quarterly
g. Provide representation at groups such as the Kent and Medway Licensing Steering Group as agreed.	Management Report	Quarterly
h. Exploration of channel shift and digital opportunities to enhance the Licensing service including implementing a new software system at Medway (which is the same system that GBC has already).	Business Case	6 Monthly
i. Develop a more detailed suite of shared performance measures.	Management Report	Quarterly