



Guidance

Promoting Excellence in Licensing.

LGR Guidance

Version: June 2026

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This Guidance Note has been drafted by members of the Institute of Licensing’s (IoL) Local Government Policy Committee, and may be updated from time to time.

With sincere thanks to the Policy Committee members.

This Guidance is intended to assist IoL members but does not constitute legal advice and has no statutory or legal status.

Version: June 2026 (first published)

1) Introduction

This guidance document is intended to assist IoL members by providing clear and concise information about local government reorganisation and devolution, what happens and when, how best to prepare and implement and critically what considerations licensing brings to the table.

Local government reorganisation relates only to England at the present time. Wales, Scotland and Northern Ireland do not operate at county and district / borough levels (2 tier local government) having undergone local government reorganisation previously.

The Institute of Licensing is providing this guidance as part of the resources intended to assist members in understanding the process and considerations of LGR, and to help local authority members to prepare for the changes, in order to achieve the transition in a way which minimises upheaval, manages expectations and provides a clear sense of what needs to happen and when, what the challenges will be and the opportunities which will arise.

Licensing is a uniquely varied, highly specialised and complex service. Local authorities across the county all have responsibility for the many and varied forms of licensing regulation, acting as ‘the licensing authority’ – an entity specifically named within licensing legislation.

Licensing is an enabling service, charged with management, mediation and collaboration across a spectrum of legislation, statutory regulations, government (statutory and non-statutory) guidance and best practice.

This guidance aims to champion the licensing function, setting out its importance and role, distinct from other regulatory services while working alongside and in partnership with them. The guidance looks at [the profile and role of the licensing function](#), and provides [a business case for the service](#).

In addition to this guidance, we provide an [online hub of resources](#), a special interest group for [LGR and devolution](#) and a discussion stream on the [IoL member forum](#).

As well as the online resources, the IoL will continue to provide updates and training in relation to LGR at various training events, including the National Training Conference in November.

We are keen to hear from members about this guidance and how it can be improved, but also in relation to other resources, training and assistance that the IoL could consider. Any suggestions and feedback should be directed to info@instituteoflicensing.org.

2) Understanding LGR and Devolution

Local government reorganisation (LGR) and devolution are closely linked elements of England's current governance reform, but they are *not* the same thing. Although the terms are sometimes used interchangeably, they describe two distinct processes.

LGR refers specifically to restructuring local government in areas that currently operate a two-tier model, where responsibilities are split between county councils and district or borough councils. The aim is to replace these arrangements with single-tier unitary authorities so that all local services sit within one organisation. This shift is intended to simplify governance, remove duplication, reduce fragmentation, and improve accountability and service delivery. The [English Devolution White Paper](#) sets the expectation that all two-tier areas—and some smaller or failing unitary councils—will bring forward proposals for this transition. It is worth noting that LGR has been a recurring theme for many years now (since 1974) and as a result there are unitary authorities across England which have been formed through the LGR process. Scotland and Wales had their two-tier systems replaced in 1996 and Northern Ireland followed in 2015.

Devolution, by contrast, is the transfer of powers and funding from central government to local or regional government, enabling decisions to be made closer to the communities they affect. It is about who holds authority—not about structural reorganisation of local councils. Under the English Devolution and Community Empowerment Act 2026, devolution is delivered through a national framework of Strategic Authorities, including Mayoral Combined Authorities (MCAs) and Combined County Authorities (CCAs). These bodies receive progressively wider powers depending on their level within the three-tier system of Foundation, Mayoral, and Established Strategic Authorities.

The 2026 Devolution Framework establishes four levels of devolved governance for Strategic Authorities—Mayoral Combined Authorities (MCAs) and Combined County Authorities (CCAs)—each with progressively greater powers and responsibilities.

- **Level 1: Foundational Strategic Authorities (Non-Mayoral)**

These are early-stage partnerships where councils work together across a Functional Economic Area (FEA) or county, often via joint committees. Their powers are limited and focused on basic strategic collaboration and service alignment. Areas such as Lancashire, Devon, and Torbay fall under this level.

- **Level 2: Strategic Authorities (Non-Mayoral)**

At this stage, a single institution or county council leads across an FEA or county but *without* a directly elected mayor. These authorities gain control over adult education budgets, the UK Shared Prosperity Fund, and Local Enterprise Partnership (LEP) functions. Examples include Cornwall, Buckinghamshire, Warwickshire, and Surrey.

In February 2026, the government announced that all areas in England that do not have devolution, have been invited to bring forward with their neighbours an expression of interest for a Foundation Strategic Authority.

- **Level 3: Mayoral Strategic Authorities (Mayoral)**

This level introduces a directly elected mayor covering a large geography, typically serving populations of 500,000 or more. These authorities receive all Level 2 powers plus 30-year investment funds, expanded control over transport, urban regeneration, and spatial planning. Existing and emerging examples include Greater Manchester, the West Midlands, the North East, Greater Lincolnshire, and Hull & East Yorkshire.

- **Level 4: Established Mayoral Strategic Authorities (Trailblazer)**

These are the highest-capacity mayoral authorities, operating for at least 18 months and meeting strong governance and performance standards. They receive the deepest level of devolution, including integrated single-pot funding settlements, enhanced autonomy over skills, transport, and energy planning, and, in some cases, devolved policing powers.

Trailblazer areas include Greater Manchester, the West Midlands, and the North East.

Although LGR and devolution are different processes, they increasingly occur together. The Government has created a joint programme in which some areas undergo reorganisation at the same time as they negotiate devolution arrangements. The rationale is that single-tier structures are often better suited to taking on devolved powers, and new Strategic Authorities benefit from clearer, simpler local governance underneath them. This alignment can create the impression that LGR *is* devolution, when in fact **LGR changes how local government is organised**, while **devolution changes what powers local or regional government holds**.

3) Key definitions and terms

- **Devolution** - The transfer of powers and funding from central government to local levels, often managed by a Mayor (not to be confused with the ceremonial chair of a Borough or City Council, or a local authority with a directly elected Mayor).
- **Reorganisation** - Local government reorganisation (LGR) is the process of replacing existing local governance structures—for example where county and district councils share responsibilities—with single, unified "unitary councils". The current LGR includes all councils in remaining two-tier areas and some unitary councils under the government's plans for a joint programme of devolution and local government reorganisation.
- **Interim Proposal/Submission:** Initial plans submitted to the government by local authorities outlining their preliminary options for reorganisation.
- **Sovereign or Legacy Areas/Authorities** – A term used to describe the former local authorities whose areas were merged to form the new authority.
- **Structural Changes Order (SCO)** – A Structural Changes Order (SCO) is a statutory instrument made by the UK Secretary of State, under the Local Government and Public Involvement in Health Act 2007, that gives legal effect to the reorganisation of local government in a specific area of England.
- **Shadow Authority:** A temporary council elected around 12 months before the vesting day. It holds the new councillors who prepare for the transition to the new unitary authority.
- **Vesting Day** - Vesting day (or "go-live day") is the official date when new local government authorities start operations and assume all legal powers, responsibilities, and assets from abolished predecessor councils. It marks the culmination of the reorganisation process, transitioning from a "shadow" authority to a functioning unitary council.

4) LGR: Key dates and Processes

The published Gloucestershire timeline provides a real-world illustration of LGR milestones and the expected pacing of reforms:

- **December 2024** – English Devolution White Paper published.
- **February 2025** – Gloucestershire receives invitation to submit interim proposals; cross-council workstreams established.
- **March 2025** – Councils send letter outlining three LGR options.
- **May 2025** – High-level feedback received from government.
- **May–October 2025** – Proposals developed; joint public engagement undertaken July–August.
- **Late October 2025** – Full proposals published.
- **November 2025** – Councils debate options; 28 November 2025 final proposals submitted to government.
- **Early 2026** – Government announces viable options and launches public consultation.
- **Mid-2026** – “Decision Day” where final government decisions are announced.
- **May 2027** – Potential elections to a new shadow unitary authority.
- **1 April 2028** – Likely vesting day, when new councils come into effect and predecessor councils are dissolved.

5) The Reorganisation Process (National Process¹)

The Local Government and Public Involvement in Health Act 2007 (the 2007 Act) provides the statutory process for making structural changes to councils. The national statutory process, as summarised by the [Ministry of Housing, Communities & Local Government](#), includes the following stages:

- **Stage 1 – Invitations to submit unitary proposals**

Councils in two-tier areas (plus neighbouring small unitaries) are formally invited to develop proposals. Invitations include guidance specifying the criteria and evidence expected, along with the deadline for submissions.

- **Stage 2 – Submission of formal proposals**

Each council may submit one proposal—either individually or jointly. Proposals must cover the entire area and include all information requested in the invitation. The Secretary of State may take forward proposals with or without modification. In areas where multiple councils submit separate proposals, they are encouraged to submit them together with a shared evidence base.

- **Stage 3 – Statutory consultation**

The Secretary of State must consult:

- Councils affected but not submitting a proposal, and
- Any other persons considered appropriate.

For areas such as Surrey, statutory consultations are publicly accessible online and open to all interested stakeholders.

- **Stage 4 – Decision to implement**

Following consultation, the Secretary of State decides whether to implement a proposal. Implementation occurs through a **Structural Changes Order (SCO)**—a statutory instrument prescribing the legal, electoral, and governance arrangements for the new council(s).

- **Stage five: Making secondary legislation – the Structural Changes Order (SCO).**

Once a decision is taken on which proposal to implement, the Department will prepare the necessary legislation (the SCO) for Parliamentary approval.

The SCO establishes the new single tier of local government in the relevant area and makes provision to abolish the predecessor councils.

The Order will specify arrangements for the first elections for the new unitary council/s, councillor numbers, the functions the new council has in the transition period and establish

¹ https://assets.publishing.service.gov.uk/media/69b1a416cdd628b29e349705/Local_government_reorganisation_-_implementation_guidance.pdf

suitable governance arrangements for the transition period before new councils go live, by giving powers to the relevant executive or joint committee overseeing the transition.

- **Stage six: Transition period.**

Once the SCO has been made, the existing councils carry on delivering services and fulfilling their duties until vesting day, while preparing to transfer all assets, functions and staff on vesting day when the predecessor councils are dissolved and the new unitary authority takes on the legal duties and powers for providing local government to the area.

- **Stage seven: New unitary authority goes live.**

This is vesting day. While preparatory work may start with the development of proposals and continue through the process, a minimum of around a year is allowed to enable safe and legal transfer of key services from the point the legislation is made, to when the new unitary council/s goes live.

3. Implementation and Transition (from Implementation Guidance)

Once an SCO is made, the reorganisation proceeds through two statutory transition periods:

First Transition Period

- Runs from the date the SCO comes into force until inaugural elections to the new council.
- Existing councils must form an implementation body, usually a Joint Committee representing all predecessor authorities.
- In areas where one council will continue and take on others' functions, a preparing council model may be used, involving an Implementation Executive.

Second Transition Period

- Runs from the inaugural elections to vesting day, the date the new unitary authority formally takes over.
- Implementation responsibilities move from the Joint Committee/Implementation Executive to the shadow council or equivalent transitional governance structure.
[\[assets.pub...ice.gov.uk\]](#)

Throughout both periods, implementation bodies oversee:

- Staff integration
- Service continuity
- Governance setup
- Preparation of the Implementation Plan

The SCO outlines the exact responsibilities and powers of these bodies.

6) Making the case for licensing

6.1 Profile of licensing as a regulatory service

Licensing is a uniquely varied and complex service. Local authorities across the county all have responsibility for the many and varied forms of licensing regulation, acting as ‘the licensing authority’ – an entity specifically named within most licensing legislation similar to the explicit reference in the Licensing Act 2003 which states:

Licensing authorities

- (1) In this Act “licensing authority” means—
 - (a) the council of a district in England,
 - (b) the council of a county in England in which there are no district councils,
 - (c) the council of a county or county borough in Wales,
 - (d) the council of a London borough,
 - (e) the Common Council of the City of London,
 - (f) the Sub-Treasurer of the Inner Temple,
 - (g) the Under-Treasurer of the Middle Temple, or
 - (h) the Council of the Isles of Scilly.
- (2) For the purposes of this Act, a licensing authority’s area is the area for which the authority acts.

There are other entities defined in similar ways, for example the ‘Local Weights and Measures Authorities’ (LWMAs), which operate as Trading Standards, or the ‘Planning Authority’ etc.

Principal Acts for licensing include:

- [Licensing Act 2003](#) (alcohol, entertainment and late-night refreshments)
- [Gambling Act 2005](#) (betting, gambling, lotteries, bingo etc)
- [The Animal Welfare \(Licensing of Activities Involving Animals\) \(England\) Regulations 2018](#) (dog breeding, horse riding, animals for exhibition, boarding and daycare, pet shops)
- [Town Police Clauses Act 1847](#) (Taxis)
- [Local Government \(Miscellaneous Provisions Act\) 1976](#) (Taxis, PHVs and pleasure boats)

- [Local Government \(Miscellaneous Provisions Act\) 1982](#) (Street trading, Sex Establishments, Acupuncture, Tattooing, Ear-Piercing and Electrolysis)
- [Police, Factories, & c. \(Miscellaneous Provisions\) Act 1916](#) (Street Collections)
- [House to House Collections Act 1939](#) (House to House collections)
- [Caravan Sites and Control of Development Act 1960](#) (caravan and camping sites)
- [Hypnotism Act 1952](#) (performances of hypnotism)
- [Scrap Metal Dealers Act 2013](#) (scrap metal dealers, collectors and motor salvage)

6.2 Role of licensing in public safety and protection

Licensing regimes exist to provide protection. That might be the protection of public safety (people) or protection of animal welfare. It might be physical protection or protection from fraud and exploitation.

The role of licensing focuses on proactively mitigating risks in connection with licensable activities. It provides a regulatory framework for licensing authorities to proactively prevent harm and protect the safety of people (or animals) in a proportionate way before it occurs, rather than reacting only after an incident takes place. It also creates a framework within which licensees can operate legally and safely.

LGR will create upheaval, but the licensing function will remain an essential (and statutory) function throughout the transition and beyond. It will be essential that normal service is maintained as much as possible throughout the process, while the necessary work and preparation for the new unitary authority will also require time and resources.

7) Before Vesting Day

Once the decision on the new unitary authority is confirmed, it's time to get started on the preparatory work if it isn't already in progress.

7.1 Bringing teams and officers together

It is essential to bring the combined teams together as soon as possible in order to work together on harmonisation of policies, procedures, forms etc., and to establish the newly unified licensing service.

This is the best opportunity for the different licensing teams to start to work together in what will be a formative process. The team(s) should meet and plan, agree pre-vesting day priorities, and allocate tasks / workstreams.

Volunteer teams should be organised to lead the preparation work (ideally involving representatives from each of the previous authority licensing teams). Early planning meetings are essential to agree priorities, allocate tasks and ensure readiness for day one.

Timelines and 'deadlines' should be realistic.

There are opportunities here for those in (or aspiring to) leadership / management roles. **Are you a project leader? Is there an opportunity to put yourself forward to take a leading role?** The project lead may ultimately be decided by the Corporate LGR Policy Team, but proactivity will be useful at this point.

HR support will also be important, and licensing managers should ensure that they are joined up with their HR departments as much as possible.

7.2 Business as usual

Licensing is a statutory function, and it is important that the licensing service(s) are maintained, preceding and during the transition to the new authority.

The key focus is ensuring the service is *"safe and legal"* so that statutory functions and business-as-usual activity continue seamlessly on vesting day.

7.3 Systems and Data

Management Information Systems should be addressed as early as possible. Delays become a barrier to operating as a single service and will require significant resources.

Consider plans to move to one system at the earliest opportunity. It will be the biggest barrier to operating as one team rather than in former district silos. It will also probably be the most resource intensive area of work.

In preparation for a unified IT system, **it is critical to ensure that data held by each of the licensing authorities is accurate, clean and consistent in terms of structure and content.** The end result of the system data will be as good as the data inputted, and it is much easier to clean and structure data before importing than to attempt to clean the data once it is in the new system.

7.4 Understanding the numbers

System considerations and data security

Understanding licensing volumes, prefixes, and active accounts across legacy authorities is vital prior to **LGR**. It is a key part of data management and essential to avoid duplication of licence references which will be extremely problematic when inputting data into a centralised system:

- **The Problem:** District A and District B might both have an active licence (of any type) issued under number "**LN/00002025**".
- **The Impact:** Forcing these identical strings into a newly unified platform causes data overwrites, data corruption, or system-wide software crashes.

Councils must understand their precise numbering volumes to map out **alphanumeric prefix overrides** (e.g., renaming them *S7-LN/00002025* and *TW-LN/00002025*) during the pre-migration phase.

Fees and Charges

Without a precise inventory of active, pending, and suspended licences across all legacy boundaries, a shadow authority cannot calculate its baseline cost structure.

This prevents the authority from setting a legally defensible, unified fee structure across the new unitary geography. If the numbers are incorrect, the council risks either facing a funding deficit or hitting licensees with overcharges that expose the authority to judicial reviews.

Validity of licences

A messy data migration that drops or miscounts licence records can cause the system to miss renewal deadlines or automated reminders.

This could lead to licence holders inadvertently operating illegally simply because their accounts vanished during the database merger. This creates major operational disruptions for local small businesses, reputational damage for the new authority and resource demand for customer support.

7.5 Licensing Policies

Begin planning for harmonisation of the Licensing Policy. There is a 2-year deadline from vesting day to harmonise Statements of Licensing Policy (alcohol and Entertainment) and Statements of Principles for Gambling.

Other areas of licensing will be just as important (e.g. Taxis). Otherwise, the new unitary will be operating under multiple policies with immediate inconsistencies and silo working.

For taxi and private hire licensing there are big decisions to make in relation to zoning, licence fees and fares and vehicle / driver policies. Historically some unitary authorities have preserved zones while others have opted for a single unitary policy. [This is explored in more detail at Appendix A.](#)

Licensing policy harmonisation work should be started at the earliest opportunity and should be collaborative involving representatives from each of the original local authority teams. As a starting point it will be useful to identify areas of commonality and differences across the existing policies.

Consideration should include what data and research will be needed, and which stakeholders should be involved. This will be different for different licensing policies, and the industry will need to be consulted along the way.

- Begin planning for harmonisation of the Licensing Policy (Alcohol & Entertainment) and Gambling Policy, which must be completed within two years. Consider research needs and involvement of public health.
- Decide early on whether to harmonise taxi policies on day one or take a phased approach.

7.6 Adoptive Legislation

When legacy district councils merge into a newly forming unitary authority, the Local Government (Structural Changes) (Transitional Arrangements) (No 2) Regulations 2008 makes provision in relation to adoptive legislation. Regulations 3(4) and (5)² state:

- (4) A provision of an enactment which, immediately before the reorganisation date, applies to an area (however defined) that is affected by a section 7 order, shall on and after that date continue to apply to, but only to, the area to which it applied immediately before that date.
- (5) Where a provision referred to in paragraph (4) applies as regards the whole or part of the area of a predecessor council by reason only of a resolution passed or order

² <https://www.legislation.gov.uk/uksi/2008/2867/regulation/3>

made by that council, the resolution or order shall have effect on and after the reorganisation date as if—

- (a) it had been passed or made by the related single tier council as regards the whole or, as the case may be, the relevant part of its area; or
- (b) where there are two or more related single tier councils, and the area comprises the whole or part of the area of any of those councils, it had been passed or made by that council as regards the whole or the relevant part of its area.

These provisions ensure that previous resolutions by legacy council are carried over to apply across the whole of the new local authority area. As a result, the adoptive legislation provisions are in place from vesting day with no requirements for new adoptions.

[For more information on adoptive legislation relating to licensing, see Appendix B.](#)

7.7 Constitution, Delegations and Authorisations

The new authority's constitution will be important. County Councils will not have experience of licensing functions, so these considerations are best supported by existing licensing authorities. It is important to recognise that there are a few licensing functions which are the responsibility of the Executive, not the Council e.g. some 1976 Act HC & PH functions, and the entirety of the Scrap Metal Dealers Act 2013.

7.8 Processes and procedures

Some licensing functions benefit from statutory processes, but not all. It will be useful to harmonise processes and procedures alongside policy drafting if possible.

Review and formulate the new authority's application forms.

Consider a staff handbook for the new procedures/processes.

7.9 Enforcement protocols and data sharing agreements

Existing enforcement protocols will also benefit from harmonisation at an early stage. This would include risk rating processes, inspection thresholds and schedules and multi-agency inspection plans.

Data sharing agreements should also be aligned across the legacy authorities to achieve a consistent arrangement for the new authority.

7.10 Branding

Practical rebranding tasks (logos on stationery, forms, webpages etc.) will be an early priority for the new council.

7.11 Communication and information sharing

Licence holders will need to know what is happening and will want reassurance that there will be minimal disruption during the transition. They will be consultees on new policies as well.

Prioritise clear communication and team engagement: face-to-face meetings, building relationships, and maintaining morale will be vital for success.

[Good communication is examined in more detail below looking at external and internal communications including communications with elected members.](#)

8) Immediately After Vesting Day

- Senior managers may be appointed, but overall service responsibility may still be unclear—maintain cooperative team-based working.
- Establish how decisions will be made and who holds authority at this early stage.
- Expect two committees to be formed: a statutory Licensing (Act/Gambling) Committee (max 15 members) and a general Licensing/Regulatory Committee. Begin planning how sub-committee hearings will be delivered in a larger area (local vs. centralised; remote vs. in-person).
- Build strong working relationships with Democratic Services, Legal, HR, ICT and Finance, as their support will be essential.
- Continue aligning business-as-usual processes.
- Maintain regular team contact through face-to-face meetings and digital channels such as MS Teams.
- Progress policy harmonisation in stages (e.g., street trading, pavement licensing).
- Consider the future use of former district offices, balancing local presence against efficiency and rationalisation.
- Prepare for the workload of adapting to new corporate systems and procedures.
- Push back against unrealistic timescales—full harmonisation typically takes 3–5 years, not months.

9) 3 to 6 Months In

- Team building becomes a major focus as new management tiers—heads of service, managers, seniors—are appointed.
- Job evaluation and new contracts will be developed; close collaboration with HR is vital as processes vary by authority
- Continue efforts to maintain a positive culture, support staff through change, and keep communication strong.
- Ongoing harmonisation of procedures and policies continues.
- Listen to staff feedback, what is working/what is not

10) 6 Months+

- New staffing structures should be largely in place. Address issues where some staff struggle to adapt; set clear behavioural expectations and manage poor performance to maintain team morale.
- Office accommodation may change as rationalisation progresses, though maintaining some local presence may still be practical.
- Ensure senior managers understand the statutory position on ring-fenced licensing budgets and resist inappropriate savings pressures.
- Continue procedural and policy development — this will likely be a long-term process.
- Budget harmonisation is complex: identify old codes and systems, work with finance to create new structures, and manage inconsistencies inherited from former districts.
- Review and improve the council website, removing reliance on former district pages. Progress with data system harmonisation, ensuring data cleansing before transfer.
- Begin work on creating a single, consistent officer authorisation scheme if not already done.
- Ensure that all applications forms are available online, to download and/or preferably to be completed online.

11) HR Considerations

It is essential to be strongly linked up with Human Resources (HR) - a key transition partner throughout the LGR process. Managing the human element is the most critical factor in preventing service collapse, as staff anxiety regarding job security, new structures, and office locations can result in high staff turnover, and loss of expertise, experience and key personnel in relation to established partnerships.

HR should be deployed across legacy councils to prepare licensing and wider regulatory teams for the transition through:

- **TUPE and Transfer Obligations** - HR must immediately establish the legal mechanism for moving employees from the legacy district councils to the new unitary authority. This should include the statutory TUPE consultation process working closely with recognised trade unions.
- **Harmonisation of pay and roles** – It will be essential to harmonise job descriptions and to implement a unified job evaluation scheme (such as the NJC or Hay system) to grade new roles fairly across the unitary footprint with clear policies regarding pay protection or buy-out options for staff whose current salaries sit above the proposed harmonised pay scales.
- **Implement Retention and Resilience Strategies** - The period between the LGR announcement and "Vesting Day" is highly volatile. HR must proactively manage "flight risk" to maintain statutory services. This could include:
 - Identifying single points of failure—such as technical database administrators or specialist licensing solicitors—and implement temporary retention or market-supplement payments [R04].
 - Facilitating short-term secondments between the merging councils to cross-train staff, balance uneven workloads, and build early team relationships.
 - Deploying targeted mental health and change-management support programs to help staff navigate structural uncertainty and anxiety.
- **Redundancy Management:** Where efficiencies create duplication (particularly at Head of Service or management levels), HR must design fair, legally compliant voluntary and compulsory redundancy frameworks.
- **Organisation Structures:** HR should support licensing service leads to map out the future service structure.

- **Training and upskilling:** HR should support training and upskilling for licensing teams to ensure continuity, compliance, and service quality during periods of significant change. In addition, training is essential to:
 - Harmonise processes and policies, ensuring a consistent and legally compliant service delivery throughout the transition and beyond. This in turn will ensure fairness and transparency for applicants
 - Ensure that staff are trained on new IT systems and that everyone is confident in using the system and does so consistently, reducing potential human error and delays in processing applications as well as ensuring good data management and reporting.
 - Training helps to bring teams together in sharing experiences and discussing case studies. It helps staff to feel supported and valued.

12) Legal

The transition of the licensing function from legacy districts to a newly created Unitary Authority is governed by complex statutory frameworks, primarily managed through **Structural Changes Orders** made under the **Local Government and Public Involvement in Health Act 2007**.

Failing to address the specific legal nuances of **Vesting Day** can lead to enforcement action being ruled *ultra vires* (outside legal authority) and leave the council open to judicial reviews.

12.1 The Legal Position on Vesting Day

On Vesting Day, the legacy councils cease to exist, and all their legal rights, assets, and liabilities automatically transfer to the new Unitary Authority. However, licensing operates under separate, strict statutory regimes that require specific legal continuity.

Continuity of Existing Licences

By virtue of standard transitional provisions within LGR Structural Changes Orders, any licence, consent, permit, or registration issued by a legacy council remains legally valid after Vesting Day.

Licences are legally treated as if issued by the new Unitary Authority. They do not need to be physically reprinted or reissued on Day 1, and they expire on the originally determined date.

Pending Applications and Representations

Any application submitted to a legacy council that is undecided by midnight before Vesting Day transfers to the new authority. Such applications must be processed under the policies and fees that applied to the specific legacy geographical area at the time of submission, unless a unified policy has already been legally enacted to override them.

12.2 Critical Legal Considerations for LGR

Constitutional Schemes of Delegation

Licensing decisions are strictly split between executive and non-executive (council) functions.

The new Unitary Authority must adopt a comprehensive **Constitution and Scheme of Delegation** on Day 1. This must explicitly grant power to the Head of Licensing and operational officers to issue, suspend, or revoke licences.

Statutory Committees and Sub-Committees

Under the **Licensing Act 2003** and **Gambling Act 2005**, the new authority must formally establish a statutory Licensing Committee of between 10 and 15 members, which must then appoint sub-

committees (**usually** of 3 members) to hear contested applications. This is only for Licensing Act 2003 and Gambling Act 2005, and a second, regulatory committee constituted under S101 Local Government Act 1972 is required to make Council decision on other licensing functions (apart from those falling to the Executive).

Officer Warrants and Authorisations

Enforcement officers cannot legally enter premises, inspect taxi meters, or seize illicit alcohol without valid statutory authorisations, and all legacy enforcement warrants expire when the issuing authority dissolves.

Every enforcement officer transferring to the new authority must be formally issued **new statutory warrants signed by the new proper officer** (usually the Monitoring Officer) effective from midnight on Vesting Day.

Policy Harmonisation vs. Legacy Policies

A new Unitary Authority cannot instantly enforce a single, unified licensing policy without extensive statutory consultation.

Until a new, unitary-wide policy is formally consulted upon and adopted, the **existing Statements of Licensing Policy (SLPs)** and other Licensing Policies of the legacy districts remain legally active within their respective geographic boundaries. If any policy does not address a specific issue or point, the matter must be considered from first principles.

Fees and Charges

Licensing fees (outside of nationally set fees like the Licensing Act 2003) must be set on a non-profit, cost-recovery basis.

Checklist for Vesting Day Legal Readiness

- Statutory processes followed correctly and resolutions passed to re-adopt all adoptive legislation.
- Constitution approved with explicit Schemes of Delegation for Licensing.
- Statutory Licensing Committees formally appointed.
- New physical and digital enforcement warrants issued to all staff.
- Legacy Statements of Licensing Policy formally extended as interim measures until the new authority's policies are formally approved (within 2 years).
- A clear, ring-fenced schedule of fees and charges for licences and permits.

13) A Business Case for Licensing - considerations for new unitary authorities

Practical guidance for local government reorganisation and new unitary authorities

How to use this section.

This text is designed to be lifted into a business case, options appraisal, transformation paper, or committee report. It is written for reorganisation settings where a newly created unitary authority may inherit district-level licensing functions, staff, policies, systems and committee arrangements, but where senior leaders may be more familiar with county-style services or wider corporate functions.

Core message for decision-makers

- Licensing is a front-line regulatory and public protection function, not an administrative add-on. It manages legal decision-making, public safety, safeguarding, community confidence and business regulation across multiple statutory regimes.[\[1\]\[3\]\[4\]\[8\]](#)
- Licensing also enables economic activity. National policy now expects authorities to consider growth and economic benefits in premises licensing decisions while still promoting the statutory objectives.[\[4\]\[5\]](#)
- Much licensing work is intended to operate on a cost-recovery basis, subject to the legal rules of each regime. That means the service is often broadly cost neutral over time when it is properly costed, structured and reviewed.[\[2\]](#)
- In reorganisation, an under-specified licensing service creates legal, safeguarding, financial and reputational risk very quickly: unprocessed applications, delayed hearings, weak decision records, poor policy alignment, and resilience gaps can all undermine the new authority from day one.[\[1\]\[2\]\[4\]\[8\]](#)

13.1 Profile of licensing as a regulatory service

Licensing should be presented in business cases as a core regulatory service sitting alongside environmental health, trading standards, community safety and related public protection functions. The Local Government Association (LGA) describes licensing as an integral part of councils' broader regulatory services and notes that regulatory services are increasingly recognised as being at the heart of councils' approaches to economic growth; the LGA also states that more than half of a business's contact with a council may take place through regulatory services.[\[2\]](#)

The practical profile of licensing is broader than many non-specialists assume. A new unitary authority may inherit some or all of the following: premises licensing under the Licensing Act

2003; taxi and private hire licensing; gambling premises licensing; street trading; sex establishments; scrap metal dealers; animal licensing and associated approvals; pavement licensing; and local miscellaneous licensing regimes. The role is therefore a blend of authorisation, compliance, enforcement, hearing support, policy development, data management, public information, and member decision support.[\[1\]\[2\]\[4\]\[8\]\[9\]](#)

That breadth matters in reorganisation. Licensing is often dispersed across teams, budgets and systems in predecessor councils. A credible business case should therefore describe licensing as a multi-regime function with legal, operational, democratic and digital components rather than as a single “applications team”.[\[1\]\[2\]](#)

Suggested wording for a business case

“Licensing is a statutory regulatory function that authorises, controls and, where necessary, restricts activities which can affect public safety, safeguarding, crime and disorder, public nuisance, consumer confidence, business growth and the character of place. It requires legally robust decision-making, professional regulatory judgement, effective committee support, intelligence-led enforcement and strong partnership working. In a new unitary authority, licensing should therefore be designed and resourced as a core public protection service, with appropriate resilience, governance and data capability.”

Further Reading and Resources:

- [LGA: “Licences, regulations and trading standards”](#)
- [National Audit Office: Lessons learned: How to deliver effective regulation locally](#)
- [RCO Apprenticeship Standard](#)
- **Various Statutory Licensing Guidance documents**
- [Statutory guidance - Regulators' Code](#)

13.2 The role of licensing in public safety and protection

Licensing exists because certain activities create inherent public protection risks that require prior authorisation and continuing oversight. Under the Licensing Act 2003, authorities must promote four statutory licensing objectives: the prevention of crime and disorder, public safety, the prevention of public nuisance, and the protection of children from harm.[\[4\]](#)

Current national guidance reinforces that licensing is not simply about processing applications. The revised section 182 Guidance (updated February 2026) is issued to support licensing authorities in carrying out their functions under the Licensing Act 2003 and specifically notes that authorities should consider local plans and strategies and continue to determine applications case by case within the statutory framework.[\[4\]](#)

Taxi and private hire licensing is a particularly important example of licensing as safeguarding regulation. The Department for Transport’s statutory standards state that taxi and PHV licensing

authorities must use their licensing powers to protect children and vulnerable adults, and the detailed standards describe the sector as a high-risk environment for abuse and exploitation if poorly regulated.[\[8\]\[9\]](#)

The latest Department for Transport statistics illustrate the scale of this responsibility. As at 1 April 2024 there were 313,000 licensed taxi and private hire vehicles and 381,100 driver licences in England, and 96% of licensing authorities required taxi and PHV drivers to complete child sexual abuse or child sexual exploitation awareness training. All authorities required enhanced DBS checks for drivers, with all but one also requiring the barred-list check.[\[7\]\[8\]](#)

Gambling licensing also demonstrates why local licensing matters to public protection. The Gambling Commission's licensing authority statistics for 2024 to 2025 cover data from 329 licensing authorities in Great Britain and continue to include inspections and compliance activity by councils under the Gambling Act 2005.[\[9\]](#) The wider gambling market still involved 8,234 licensed gambling premises in Great Britain in 2024 to 2025, underlining the continued local oversight role for councils.[\[10\]](#)

Practical point for reorganisation

- Do not treat licensing as purely transactional. The service must be able to triage risk, support urgent suspensions/revocations where legislation permits, prepare evidence, brief committees, record defensible decisions and work with police, safeguarding, community safety, environmental health, planning and legal services.[\[1\]\[4\]\[8\]](#)
- Build explicit resilience into out-of-hours escalation where the authority operates evening or weekend economies, events and taxi services.[\[4\]\[5\]\[7\]\[8\]](#)
- Assess which functions are safety critical on day one: hearings, representation handling, expedited reviews, urgent safeguarding referrals, driver referrals, NR3/other information sharing, and complaint triage.[\[7\]\[8\]](#)

Further Reading and Resources:

- Various Statutory Licensing Guidance documents
- [Statutory guidance - Regulators' Code](#)

13.3 Licensing as a cost-neutral or cost-recovery service

A strong business case should explain the funding model clearly. Many licensing regimes are intended to operate on a cost-recovery basis, with the cost of the licensed activity falling on applicants or licence holders rather than on the general taxpayer, subject always to the specific statutory rules for each regime. The LGA guidance describes this as an accepted principle and states that fees should be broadly cost neutral in budgetary terms over the lifespan of the licence.[\[2\]](#)

The same guidance also emphasises the legal discipline required. Authorities should keep fees under regular review; maintain separate cost calculations for each licensing regime; avoid using surpluses from one regime to subsidise another; and ensure that fee income for a licensing regime is not diverted into the general fund.[\[2\]](#)

This makes licensing distinctive in a reorganisation setting. It is not simply another demand-led service that must compete entirely for core council funding. Instead, the business case should show: (a) what work is fee-funded, (b) what is nationally fee-capped or constrained, (c) what work is non-chargeable but unavoidable, and (d) where the authority must still provide resilience because statutory timescales, hearings and enforcement continue regardless of budget pressure.[\[2\]](#)[\[4\]](#)

Practical wording to adapt

“Licensing should be designed as a financially disciplined regulatory service. For those regimes where legislation permits local fee setting or cost recovery, the service should operate on a broadly cost-neutral basis over time, supported by transparent costing, annual review and ring-fenced accounting by regime. This does not remove the need for corporate investment in systems, governance and transition, but it does mean licensing is not solely a pressure on the general fund and should not be underestimated or under-designed during reorganisation.”[\[2\]](#)

Further Reading and Resources:

- [LGA guidance on locally set licensing fees](#)

What to include in the financial section of the business case

- Income by licensing regime for the last three years (or closest available period).
- Expenditure by regime, split into staffing, legal support, software, hearings/committee support, inspection activity, notice/publication costs, management overheads and corporate on-costs.
- Which fees are set nationally, which are set locally, and which elements of work are not recoverable under the relevant statutory framework.[\[2\]](#)
- Evidence that separate accounts/cost centres are or will be maintained for taxi, gambling, street trading, sex establishments and other locally set fee regimes where required by law or case law.[\[2\]](#)
- Projected transition costs: policy harmonisation, website/forms migration, data migration, software integration, staff training and governance redesign.
- Sensitivity analysis: what happens if application volumes fall, if there is a backlog inherited at vesting day, or if committee/hearing demand rises during policy harmonisation.

13.4 Understanding your operational and service numbers

Senior leaders who are unfamiliar with district licensing will often ask the same initial question: “How big is the service really?” The answer should be given through a simple operational baseline that shows both stock (how many licences/permits are live) and flow (how many applications, renewals, variations, complaints, hearings and enforcement actions the service handles each year).

Operational numbers matter because licensing workload is not driven by population alone. A relatively small geography may have very high concentrations of licensed premises, festivals, visitor economy activity, taxi demand, gambling premises or evening economy issues. Conversely, a larger rural area may have lower transaction volumes but higher travel time, lower resilience and greater reliance on cross-functional officers.[\[1\]](#)[\[2\]](#)[\[5\]](#)

Minimum dataset to collect before writing the business case

| Area | Questions to answer | Why it matters |
|----------------------------|--|--|
| Licence stock | How many live licences, permits, consents and registrations exist in each regime? How many are due for renewal or review in the next 12 months? | Shows inherited scale, future demand and database quality. |
| Application flow | How many grants, renewals, variations, transfers, temporary notices and driver/vehicle applications are received per year? | Shows staffing requirement and seasonality. |
| Compliance and enforcement | How many inspections, complaints, suspensions, revocations, reviews, warnings, prosecutions and joint operations take place each year? | Shows risk profile and public protection workload. |
| Member governance | How many licensing sub-committee hearings and committee reports are required annually? How many appeals have been lodged? | Shows democratic/legal support requirement. |
| Safeguarding and risk | How many urgent referrals, intelligence checks, DBS issues, spiking cases, out-of-area notifications or safeguarding escalations are managed? | Shows that the service is not merely administrative. |
| Customer and place profile | What are the main licensed sectors locally: pubs, clubs, restaurants, events, taxis, gambling, markets, tourist destinations, rural premises, student areas? | Connects licensing to local economy and place shaping. |

| Area | Questions to answer | Why it matters |
|--------------------------|--|--|
| Finance | Income and expenditure by regime; fee recovery rate; any backlogs or bad debt; software and notice costs; legal support costs. | Supports the cost-recovery argument and identifies subsidy risk. |
| Workforce and resilience | How many FTE staff, what grade mix, what specialist expertise, what single points of failure, what out-of-hours expectation? | Supports safe transition design and resilience planning. |

Useful national context data to include

- Alcohol licensing remains substantial nationally. As at 31 March 2024 there were 224,100 premises licences, 13,000 club premises certificates, 900,300 personal licences and 10,300 premises with 24-hour alcohol licences in England and Wales. In the same year there were 147,300 Temporary Event Notices and 412 premises licence reviews.[\[6\]](#)
- Government’s National Licensing Policy Framework says the Licensing Act regime has enabled over 200,000 businesses to operate, including over 145,000 on-trade venues such as pubs, cafes, restaurants, nightclubs and entertainment venues.[\[5\]](#)
- Taxi and private hire licensing is also large-scale: 313,000 licensed vehicles and 381,100 driver licences in England as at 1 April 2024.[\[7\]](#)
- Gambling remains a live local regulatory market: the Gambling Commission recorded 8,234 licensed gambling premises in Great Britain in 2024 to 2025, while licensing authority statistics for 2024 to 2025 drew on returns from 329 authorities.[\[9\]](#)[\[10\]](#)
- The wider business base that licensing supports is material. ONS reported 2.73 million VAT/PAYE businesses in the UK in March 2025, including around 177,000 in accommodation and food services.[\[11\]](#)
- ONS workforce jobs data show 2.629 million jobs in accommodation and food service activities in 2025, illustrating the employment significance of sectors heavily affected by local licensing decisions.[\[12\]](#)
- The place context is equally relevant. Government’s High Street Rental Auctions guidance says 1 in 7 high street shops were empty nationally at the end of 2023, with average vacancy rates across England of 13.5%; it explicitly links vacancy to footfall, unemployment and anti-social behaviour.[\[13\]](#)

Further Reading and Resources:

- [Home Office: Alcohol and late night refreshment licensing England and Wales statistics](#)
- [DfT: Taxi and private hire vehicle statistics](#)
- [DEFRA: Local Authority Licensing of Activities Involving Animals](#)

13.5 Licensing, economic growth and the right level of regulation

There is now a much stronger national basis for explaining licensing as an enabler of economic growth. The National Licensing Policy Framework for the hospitality and leisure sectors (November 2025) states that licensing must support investment, growth, high street revival, local jobs, festivals and community cohesion as well as public safety. It presents licensing as a tool for enabling innovation and investment, not just managing risk.^[5]

The same framework says licences should be granted on the terms sought, with conditions that are necessary and proportionate, and that decisions should complement, not undermine, planning and regeneration efforts. It supports predictable, evidence-led and risk-based licensing, lighter-touch oversight for compliant businesses and stronger alignment with local economic, cultural and night-time economy strategies.^[5]

This direction is reinforced by the revised section 182 Guidance, which now highlights the need for authorities to consider local plans and strategies in licensing decisions, while the section 1.18 of the s182 Guidance states ‘*When making licensing decisions, all licensing authorities should consider the need to promote growth and deliver economic benefits*’.^{[4][5]}

The Regulators’ Code gives the wider regulatory framework. It says regulators should carry out activities in a way that supports those they regulate to comply and grow, and that regulatory work should be transparent, accountable, proportionate, consistent and targeted.^[3]

What this means in practice

- Good licensing is not anti-business. It gives responsible businesses certainty, predictable routes to approval and confidence that poor operators will be dealt with fairly and proportionately.^{[3][5]}
- A weak licensing service can itself become a barrier to growth if it causes avoidable delay, inconsistent advice, poorly drafted conditions, unnecessary hearings, weak pre-application support or poor coordination with planning and regeneration.^{[1][2][5]}
- A business case should therefore present licensing as part of the authority’s local growth infrastructure: it supports hospitality, events, the evening economy, transport connectivity, tourism, cultural activity and town centre vitality while still protecting communities.^{[2][5][11][12][13]}

Further Reading and Resources:

- [National Licensing Policy Framework for the hospitality and leisure sectors \(A national framework for a balanced licensing system\)](#)
- [Call for evidence outcome - Reforming the licensing system](#)
- [LGA Public protection services: councillor handbook](#)
- [Statutory guidance - Regulators' Code](#)

13.6 A practical structure for the business case

- (a) Strategic case Describe licensing as a statutory regulatory and public protection function that also supports economic growth and place-making. Explain why continuity is essential at reorganisation and why the new authority needs a coherent, single service model across predecessor areas.[\[1\]\[2\]\[3\]\[4\]\[5\]](#)
- (b) Legal and governance case Set out the statutory frameworks in scope; the need for delegations, properly constituted committees/sub-committees, hearing arrangements, member training, officer authorisations, policy review timetables and legal support.
- (c) Public protection case Use local and national evidence on alcohol, taxis, gambling, nuisance, safeguarding, exploitation, spiking, event safety and community concerns. Show what could go wrong if the service is fragmented or under-resourced.[\[6\]\[7\]\[8\]\[9\]\[10\]](#)
- (d) Economic and place case Explain how licensing affects hospitality, events, visitor economy, evening economy, transport availability, cultural activity and high-street vitality. Link to local growth plans, regeneration, night-time economy strategies and tourism plans.[\[5\]\[11\]\[12\]\[13\]](#)
- (e) Financial case Show the cost-recovery model, fee income, expenditure, transition investment, digital costs and the consequences of not creating proper cost centres and review processes.[\[2\]](#)
- (f) Workforce and resilience case Specify the staffing establishment, specialist skills, single points of failure, training requirements, out-of-hours needs and manager/legal capacity required for a safe day-one service.
- (g) Implementation plan Include policy harmonisation, database migration, website/forms handover, file migration, retention schedules, committee calendar, communications, training, and interim operating procedures for vesting day and the first 6 to 12 months.

13.7 Risks of underestimating licensing in reorganisation

- Application backlogs and missed statutory timeframes.
- Unsafe or inconsistent decisions, increasing the risk of appeal or judicial review.
- Safeguarding failures in taxi and private hire licensing or weak handling of urgent public safety concerns.[\[8\]](#)
- Poorly harmonised policies and inconsistent inherited conditions from predecessor councils.[\[1\]\[2\]\[5\]](#)
- Loss of fee income because licence records are incomplete, renewal cycles are not understood, or income is not allocated to the correct regime.[\[2\]](#)
- Reputational damage to the new authority if businesses face unnecessary delay or residents perceive poor control of nuisance, crime or risky operators.
- Excessive reliance on a very small number of experienced specialists, creating resilience and succession risks.[\[1\]](#)

13.8 Ready-to-use narrative for an executive summary

“Licensing should be treated as a core public protection and regulatory function in the new unitary authority. It is responsible for legally robust decision-making across multiple statutory regimes, including premises licensing, taxi and private hire licensing, gambling and other local licensing functions. Its role extends beyond application processing to safeguarding, public safety, nuisance control, committee support, enforcement, intelligence sharing and business engagement. National policy now also places greater emphasis on licensing as an enabler of growth, high street vitality and cultural activity, provided regulation remains evidence-based, proportionate and aligned to the statutory objectives. Because much licensing activity operates on a cost-recovery basis, the service can be broadly cost neutral over time where it is properly designed, costed and reviewed. Reorganisation therefore requires an explicit licensing service model with sufficient specialist staffing, governance, systems and transition capacity from day one.” [\[1\]](#)[\[2\]](#)[\[3\]](#)[\[4\]](#)[\[5\]](#)[\[8\]](#)

13.9 Business case checklist

- A definitive list of all licensing regimes in scope across predecessor councils.
- Live volumes, annual application numbers and enforcement/hearing data by regime.
- Income and expenditure by regime, with clarity on cost-recovery and legal constraints.[\[2\]](#)
- A proposed target operating model, including management, governance and legal support.
- A workforce plan covering licensing officers, compliance/enforcement support, admin support, business support, member services and systems administration.
- An implementation plan for policy alignment, forms, web content, software and records migration.
- A risk register covering day-one legality, safeguarding, resilience, system failure and communication risks.
- A communications plan for businesses, members, partners and residents.

13.10 Source references

[\[1\]](#) “The Case for Competent Local Government Licensing Officers” (user-provided reference paper).

[\[2\]](#) Local Government Association, Open for Business: LGA guidance on locally set licence fees (2017) (user-provided reference paper).

[\[3\]](#) UK Government, Regulators’ Code (statutory guidance, published 6 April 2014).

[\[4\]](#) Home Office, Revised guidance issued under section 182 of the Licensing Act 2003 (updated 12 February 2026).

[5] Department for Business and Trade / Home Office, National Licensing Policy Framework for the hospitality and leisure sectors (published 26 November 2025).

[6] Home Office, Alcohol licensing, England and Wales, April 2023 to March 2024 (published 24 October 2024).

[7] Department for Transport, Taxi and private hire vehicle statistics, England: 2024 (revised) (updated 22 January 2025).

[8] Department for Transport, Statutory taxi and private hire vehicle standards (updated 25 November 2022).

[9] Gambling Commission, Licensing Authority Statistics 2024 to 2025 (published 31 July 2025).

[10] Gambling Commission, Industry Statistics – Annual report – Financial year April 2024 to March 2025 (published 25 November 2025).

[11] Office for National Statistics, UK business; activity, size and location: 2025 (published 24 September 2025).

[12] Office for National Statistics, UK Workforce Jobs SA: Accommodation & food service activities (series JWS5, release showing 2025 value; accessed via search result dated 21 April/19 May 2026).

[13] Ministry of Housing, Communities and Local Government, High Street Rental Auctions: Non-statutory guidance (updated 5 June 2025).

Note. This section is intentionally drafted in a form that can be shortened, localised, or inserted into a larger options appraisal. It should be supplemented with local baseline data before final submission.

14) Communications Considerations

14.1 Key Principles for External Communication and Engagement

(Generic principles based on LGA webinar insights and generalised from sourced material)

1. Ensure strategic visibility and leadership for communications

Communication and engagement should be represented at senior programme-governance level to maintain oversight, secure adequate resourcing, and ensure a unified narrative across services. [\[local.gov.uk\]](https://www.local.gov.uk)

2. Conduct comprehensive stakeholder mapping

Carry out detailed mapping to identify external stakeholders, understand their influence, impacts, and preferred methods of engagement. Existing relationships and communication routes should be utilised to enable early and consistent engagement. [\[local.gov.uk\]](https://www.local.gov.uk)

3. Provide fair, transparent and proportionate public consultation

Use recognised consultation principles to ensure fairness, transparency and proportionality. Employ multiple methods such as surveys, printed materials, interviews, roadshows, and online information platforms. [\[local.gov.uk\]](https://www.local.gov.uk)

4. Use multi-channel communication to reach diverse audiences

Combine digital and non-digital channels to ensure accessible communication for residents, businesses, partner organisations and community groups. Clear and consistent messaging helps avoid confusion and supports understanding of the changes.

5. Maintain regular, open and transparent communication

Provide scheduled updates through bulletins, statements, online content or stakeholder briefings. Transparency supports trust, reduces speculation, and enhances accountability.

6. Coordinate messaging across all bodies involved in the reorganisation

Communications across services and departments must be aligned to avoid conflicting information. Establish cross-organisational communications groups to support coordinated and consistent messaging. [\[local.gov.uk\]](https://www.local.gov.uk)

14.2 Key Principles for Internal Communication and Culture

(Generic principles based on LGA webinar insights and sector learning)

1. Develop a clear, unified organisational narrative

Communicate the overall purpose, benefits and long-term vision of the reorganisation so that all staff understand what is changing and why. A shared narrative supports cultural alignment.

2. Communicate openly, frequently and honestly with staff

Reorganisation naturally creates uncertainty. Regular updates, opportunities for questions, and visible leadership communication help manage staff concerns, support morale and maintain service continuity.

3. Maintain two-way communication channels

Provide structured opportunities for staff to raise issues, ask questions, and offer feedback. Mechanisms such as Q&A sessions, surveys or dedicated inboxes help ensure staff feel heard and involved.

4. Build mechanisms that support culture integration

Different teams may bring different organisational cultures. Provide opportunities for collaboration, shared problem-solving and involvement in shaping new ways of working to help unify cultures across the new authority.

5. Establish coordinated internal communication structures

Create internal communications groups across departments or service areas to ensure consistent messaging, avoid contradictions, and align internal and external communications.

6. Provide clarity on roles, processes and timelines

Ensure staff understand potential structural changes, impacts on roles, operational adjustments and key timelines. This supports service continuity and helps staff prepare for transition.

14.3 Key Principles for maintaining partnerships

Maintaining strong relationships with external partners—such as responsible authorities and local licence holders—is critical. If communication breaks down, the new unitary authority risks service backlogs, enforcement gaps, and legal friction.

Licensing teams can preserve and strengthen partnership working throughout the transition by:

1. Establish Communication Forums

Do not let partners find out about operational changes through general council press releases.

Consider forming a dedicated **Licensing Transition Forum Group** featuring key Responsible Authorities (Police licensing officers, Fire safety teams, Trading Standards, Public Health), with

monthly meetings to discuss progress and where possible to collaborate on projects (policies, work flow etc).

This will ensure that partners feel involved, informed and remain engaged, ensuring that established relationships are preserved.

2. Establish Local Licensing Forums and utilise existing forums

Consider similar arrangements for licence holders through **Local Licensing Forums** for different licensing subjects. Continue engagement with existing forums such as local Pubwatch groups etc.

14.4 Key Principles for communications with elected members

During LGR councillors face significant structural changes, shortened or extended terms of office, and a drastic overall reduction in their total numbers.

The specific impacts on councillors include:

- **Altered Terms of Office and Postponed Elections:** If a council is scheduled to be abolished, the terms of councillors elected shortly before or during the transition period are often reduced, while in some cases upcoming local elections in predecessor councils are cancelled or postponed to allow authorities to focus on the transition. In these cases, existing councillors have their terms extended until "vesting day" when the old councils dissolve.
- **The Transition and "Shadow" Council Phase:** In the roughly 12-month lead-up to the restructure, a temporary "shadow authority" is elected, with councillors elected to these shadow councils serving a dual purpose, continuing day-to-day functions for the old authorities while simultaneously setting the first budgets, hiring senior staff, and designing services for the incoming council.
- **Vesting Day:** On vesting day, the old councils are legally abolished. Predecessor councillors who did not win a seat on the new authority lose their positions. The total number of seats will be significantly reduced, meaning many legacy councillors will be removed from office.

Councillors elected to the new authority face intense pressure during LGR. They must rapidly transition from representing small, localised district wards to governing vast, complex unitary divisions.

Shadow councils typically set up their interim or shadow licensing committees **during the shadow transition period, usually between 2 to 10 months prior to Vesting Day**, although the exact timeline depends on the schedule dictated by the area's **Structural Changes Order (SCO)**.

In practice, this process happens across three distinct phases:

- **The Inaugural Meeting (Month 1 of the Shadow Council):** the authority reviews and adopts its draft constitution, which establishes the committee frameworks, including the legal terms of reference for the future **Interim Licensing Committees**.
- **The Formative Setup (2 to 6 Months Before Vesting Day):** the shadow authority formally asks political groups to nominate members to serve on the interim committee.
- **Activating Sub-Committees (1 to 2 Months Before Vesting Day):** Shortly before the new unitary authority goes live, the overarching shadow licensing committees officially meets to establish Sub-Committees.
- **Prior Experience Requirements:** Shadow authorities often mandate that selected councillors must have served on a licensing committee for one of the predecessor "legacy" councils.

Elected members should be supported effectively through this transition. Consider:

- **Induction Programmes:** Induction sessions are a good opportunity to establish relationships between officers and councillors and to open up communication pathways. These sessions can be used to share local knowledge and to assist councillors in understanding the licensing landscape throughout the new authority area. Consider involving responsible authorities and other stakeholders to co-deliver briefings on local risk profiles
- **Establish Communication pathways:** Ensure councillors know where to go if they have queries about licensing. Work with democratic services to ensure that communication channels are supported, clear and transparent.
- **Strategic briefings and infographics:** Focused on the legal requirements regarding adoptive legislation, the role of policy and the schedule of delegations. Provide simplified, visual infographics illustrating the licensing function and for schemes of delegation.
- **Training and refresher training:** Ensure that all members sitting on licensing committees receive good quality training to prepare them for their role (even if they have received training via their previous authority).
- **Provision of guidance and resources:**
 - [IoL / LGA Councillor Training Standards](#)
 - LGA Councillor Handbooks: [Licensing Act 2003](#); [Taxi and PH Licensing](#)

15) Myth busting

While generic Local Government Reorganisation (LGR) myths focus on broad corporate savings, the **licensing service** faces a highly specific set of misconceptions due to its complex legal architecture and ring-fenced funding models.

Myth 1: We can pool all legacy licensing fees into one account on Day 1 to help balance the new council's budget

The Reality: Absolutely not. Licensing fees are strictly bound by the **cost-recovery principle** established in UK case law (*R (Hemming) v Westminster City Council*) [R (Hemming) v Westminster City Council]. Income from licence fees must be ringfenced and used only in connection with the licensing function including administration, training and enforcement.

The Impact: Attempting to pool these fees to cover deficits in general-fund services like environmental health or planning is illegal and renders the local authority vulnerable to challenge and severe financial sanctions.

Myth 2: Creating a single unitary team will immediately reduce the cost of running the service

The Reality: Operational costs often **increase** in the short term. While senior management overheads might decrease slightly, the cost of harmonizing legacy IT databases, standardising policies, processes and procedures, and retraining staff to handle a larger geographic footprint creates significant upfront transition expenses.

The Impact: Long-term savings may be realised eventually, but this is unlikely for the first few years once unification has been successfully completed, including systems, policies, processes and staff contracts have all be resolved.

Myth 3: Licensing officers can easily be merged into generic "locality enforcement teams" to do all regulatory work

The Reality: Licensing is a **preventative, place management, permission-based regime** that focuses on pre-emptive vetting and character assessment ("fit and proper person" testing), and ongoing changes requiring customer support, compliance work and effective partnership approaches. Environmental Health and Trading Standards are **reactive, compliance-led regimes** that focus on breaches and conditions.

The Impact: Attempting to force a multi-disciplined 'regulatory team,' risks diluting and even degrading specialist expertise, leaving the authority vulnerable to poor and inefficient processes and decision making. This in turn significantly increases the risk of challenge and successful appeals against council decisions.

Myth 4: We can automatically enforce the strictest legacy policy across the entire new unitary area from Day 1

The Reality: A new council cannot simply inherit one legacy district's licensing policy and apply it to the whole unitary geography without fresh **statutory consultation**.

The Impact: Doing so without formal public and trade consultation violates legislative requirements. New licensing policies must be properly consulted on and adopted according to the legal process. In the meantime, existing policies can be maintained as "temporary geographical zones" to ensure legal continuity.

Myth 5: A single unitary licensing committee will easily handle the workload of all the old authorities combined

The Reality: The sheer volume of contested applications, premises reviews, and taxi driver disciplinary hearings from multiple merged districts will quickly overwhelm a single committee if it is not structured correctly.

The Impact: It will be essential to quickly establish committee and sub-committee structures and a rotating schedule of sub-committee meetings to avoid severe backlogs that would stall the local evening and transport economies.

16) Useful Resources

- [IoL online resources \(hub\)](#)
- [IoL LGR and Devolution Special Interest Group](#)
- [IoL Members Forum](#)
- [LGA Hub](#)

Appendix A – Taxi and Private Hire Licensing

When transitioning to a new unitary authority, managing legacy taxi and private hire licensing zones is one of the most politically sensitive and legally complex decisions the shadow council faces.

A new unitary council has two primary options: retain the existing legacy district boundaries as distinct licensing zones, or abolish the zones to create a single, authority-wide licensing area .

Comparison of the Two Strategic Options

| Consideration | Option 1: Maintain Legacy Zones | Option 2: Single Unitary-Wide Area |
|--------------------------------|---|--|
| Market Access | Taxis can only ply for hire within their old district boundary. | Taxis can ply for hire anywhere across the entire new unitary footprint. |
| Trade Reaction | Likely that this option will still be challenged by those drivers wanting more flexibility to work across the new unitary area. | High conflict. Urban drivers fear an influx of rural drivers depleting their trade. |
| Administration | Complex. Staff must manage multiple sets of rules and fees. | Streamlined. One set of vehicle standards, fares, and enforcement rules. |
| Public Service | Potential that rural areas remain isolated with fewer transport links. | Increased vehicle availability in rural areas and during peak night economies. |
| Hackney carriage limits | Zones can continue to impose limits on hackney carriage numbers | It is unlikely to be a good option for the new authority to impose limits on hackney carriage numbers across the new area. |

All existing Hackney Carriage and Private Hire licences will automatically transfer to the new unitary authority.

The new authority must ensure that it has adopted the Local Government (Miscellaneous Provisions) Act 1976. Then the new authority can resolve to maintain legacy districts as "zones" indefinitely or as a transitional measure. **This will only affect taxis (hackney carriages), as private hire licences will automatically cover the whole of the new council area.**

If the new authority wishes to create a new policy and merge all the former areas into one with the new policy covering the whole area, it must conduct a full consultation and follow due process to adopt the policy. Failure to do so will render the authority vulnerable to challenge, and successful challenge will be costly and a minefield to navigate.

Harmonising the taxi and private hire licensing function

Legacy districts will inevitably have conflicting vehicle policies that must be aligned if zones are abolished. Key elements likely to be different from area to area include:

- **Fees and Fares:** The table of Fares, and licence fees, processes and procedures will need to be aligned. This will be hard work and resource intensive to achieve, but puts the new authority in a strong and clear position with a single set of arrangements rather than a patchwork of potentially conflicting requirements, different fares etc.
- **Age and Emissions:** Vehicle age limits are often contentious and should be carefully considered in light of the DfT's [Statutory taxi and private hire vehicle standards](#) and [Best Practice Guidance](#). Any new policy requirement on age and emissions should include reasonable transition arrangements.
- **Colour and Livery:** Forcing hundreds of drivers to re-spray or wrap their vehicles to match a new unitary livery requirement will provoke intense trade resistance due to the cost burden.
- **Testing Regimes:** Frequencies of vehicle testing must be standardised across the new authority area
- **Quantity Controls (Hackney Carriage):** while the number of local authorities with hackney carriage limits is reducing, some councils do still have a limit in place. Where this is the case, the limit must be justified by an independent Unmet Demand Survey. Where a new unitary will replace councils with limited numbers, it will need to approach this very carefully. Retaining zones in the first instance, will allow the limits to continue to apply in the relevant legacy council area. This can then be reviewed at a later stage if the new authority wishes to revisit the zones and limits.
- **Mismatched Rates:** Legacy areas will have completely different maximum fare tariffs (e.g., cost per mile, nighttime surcharges).
- **Economic Balance:** Creating a single unitary tariff requires balancing the higher operating costs of urban drivers against the affordability of transport for vulnerable residents in lower-income rural patches.

Appendix B – Adoptive Legislation for Licensing

In UK local government, "**adoptive legislation**" refers to statutory laws enacted by Parliament that do not automatically apply nationwide. Instead, they are optional powers that **individual local authorities must formally choose to "adopt"** via a council resolution before they can legally enforce them or issue licences under them.

Several areas of licensing law are structured as adoptive legislation:

1. Taxi and Private Hire Licensing

- **The Law:** [Part II of the Local Government \(Miscellaneous Provisions\) Act 1976](#).
- **How it works:** While the overarching regulation of Hackney Carriages dates back to 1847, the entire modern framework for licensing **Private Hire vehicles, drivers, and operators** outside London is adoptive. A council must formally adopt Part II of the 1976 Act to regulate private hire operators and enforce cross-border private hire rules.

2. Sex Establishment Licensing

- **The Law:** [Schedule 3 of the Local Government \(Miscellaneous Provisions\) Act 1982](#).
- **How it works:** This handles the licensing of sex shops and sex cinemas. It was later amended by [Section 27 of the Policing and Crime Act 2009](#) to include **Sexual Entertainment Venues (SEVs)**, such as lap-dancing clubs. If a council does not explicitly pass a resolution to adopt these provisions, they have no statutory power to regulate or control where these venues open.

3. Street Trading and Markets

- **The Law:** [Part III of the Local Government \(Miscellaneous Provisions\) Act 1982](#).
- **How it works:** This legislation allows councils to designate streets as "prohibited," "licence," or "consent" streets to regulate street vendors. Additionally, [Section 37 of the 1982 Act](#) is an adoptive provision requiring operators to give advance notice of temporary markets.



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