

Committee: Cabinet	Date: 9 January 2008	Classification: Unrestricted	Report No.	Agenda Item No.
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Report of: Corporate Director – Communities, Localities And Culture – Steve Halsey Originating Officer(s): Head of Markets – David Saunders	Title: Review of Street Markets Fees and Charges 2008/2009 All Wards
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1 **SUMMARY**

- 1.1 This report proposes some changes to the fees and charges relating to Street Markets in Tower Hamlets. These charges are reviewed on an annual basis. Although some markets continue to thrive (Whitechapel and Columbia), others enjoy a resurgence (Bethnal Green and Watney), but the overall pattern is of steady decline in the number of street traders. This has led to a reduction of income to the Street Trader's Account.
- 1.2 Street Markets not only provide a livelihood for traders, they contribute to the external image and vitality of the Borough, promoting inclusiveness, and enhancing safety by populating public spaces. In a Borough that has a priority of addressing deprivation: the local markets offer fresh food and clothing at competitive prices, and provide a low investment and a low skills threshold point of entry to worthwhile employment.
- 1.3 Following this Cabinet decision reviewing Fees and Charges, public notice of the approved fees and charges for Markets will be made in the East End Life for a period of 28 days, after which all the representations received will be duly considered. It is only after this further procedure that the new charges come into effect, i e from April 2008.

LOCAL GOVERNMENT ACT, 1972 (As Amended) Section 100D
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "background paper"	Name and telephone number of holder and address where open to inspection:
Financial management reports	David Saunders Ext 1708

2 RECOMMENDATIONS

Cabinet is recommended to: -

- 2.1 Approve the levels of fees and charges for Market Trading in Tower Hamlets as set out in Appendix 1, to be effective from 1st April 2008, subject to a 28 day period of consultation with market traders following publication of a Notice of Variation of Charges to be issued by the Corporate Director, Communities, Localities and Culture.
- 2.2 Agree that the Corporate Director, Communities, Localities and Culture, undertake further consultation with the Market Traders on the fees and charges as set out in Appendix 1.
- 2.3 Authorise the Corporate Director, Communities, Localities and Culture to set the final level of fees and charges for market trading following the outcome of consultation referred to at 2.2 above.

3 BACKGROUND

- 3.1 The Council operates street markets in 25 designated street and roads across the Borough. They contain a large number of pitches available for rent by 622 permanent and around 300 active temporary traders. Traders pay varying charges dependent on status of the trader, i.e. temporary or permanent and the days worked.
- 3.2 The Market Service is governed by the London Local Authorities Act 1990 (as amended). It is this legislation that stipulates the source of income and what charges can be made to the Street Trader's Account. The Account is managed to break even, year on year, with expenditure being matched by income. If income exceeds expenditure the surplus accruing is to be re-invested in the operation of the street markets. Any deficit on the account should be recovered as soon as possible.
- 3.3 The size of our street markets, the number of traders, and hence income to the Markets Account has been in slow decline for many years, due primarily to changing retail trends. This is especially the experience of our more community focussed weekday and Saturday markets. However, the Sunday markets at Columbia Road, Brick Lane and Petticoat Lane attract a large number of people including many visitors to East London.
- 3.4 The Markets Service has introduced a range of initiatives aimed at making our markets more attractive, raising public awareness, and increasing cultural diversity in terms of traders, goods and foods. Such initiatives have so far proved successful, and in Whitechapel and Watney Markets in particular.

- 3.5 The Street Markets have an accrued deficit of £152k, and in the current year 2007/2008 are expected to record a further deficit. The major reasons for this are the significant decline in the number of casual traders in both 2006/2007 and 2007/2008, and the increased expenditure in joint crime initiatives undertaken with the Metropolitan Police. To deal with this problem, a review of all markets expenditure and incomes has been rigorously undertaken, resulting in a Business Plan being prepared which will address and ameliorate these issues, achieving a balanced budget again, by the end of the financial year 2008/2009.
- 3.6 The table at Appendix 2 shows a comparative table of Markets Fees and Charges with some other London Boroughs. The proposed fees and charges compare favourably with our bench mark Authorities and in general tend to be among the lowest in London.

4 MARKETS FEES AND CHARGES PROPOSALS

- 4.1 The proposed changes for 2008 are recommended as they will:-
- foster market regeneration;
 - generate necessary income to achieve a balanced trading account;
 - enable some additional partnership operations to be carried out to combat high levels of street crime in and around the markets;
 - enable other initiatives to take place that are aimed at making our markets more attractive;
 - sustain levels of markets inspection and enforcement especially on Sundays.

The week day standard pitch fee at Whitechapel Market to be £6.00 and at all other markets to be £5.00.

- 4.2 The proposal is to increase the weekday standard pitch fee on Whitechapel Market to £6.00 and on all our other markets the standard pitch fee will be £5.00. At present there is standard fee of £4.50p on all our markets. The reason for increasing the cost for trading at Whitechapel more than elsewhere is because it is our largest and busiest weekday street market that requires a high level of regulation, inspection and general standards relating to cleanliness and litter removal. On an annual basis, this increase would lead to additional income to the Street Trader's Account of about £75k

The Columbia Road Market Sunday fee to be £45 and the Whitechapel Saturday fee to be £30.

- 4.3 Both the Columbia Road Sunday Market and the Whitechapel Saturday Market, are amongst the busiest in the Borough. Consequently, the traders obtain a higher level of income than those on other markets, and they require a higher level of inspection and regulation in their operation. Furthermore, the Market Service wishes to raise the standard of regulation in Columbia Road, and to meet this an increase in the charge for trading on Columbia Road Market is proposed.
- It is recommended that their Sunday charge is increased from £36 to £45. To deliver higher levels of cleanliness, tidiness and regulation on Whitechapel Market the largest and most visible street market in the Borough, it is proposed the charge to traders on a Saturday is increased from £25 to £30. It is forecast

that these proposals will achieve additional income to the Street Trader's Account of about £50k.

A regenerative temporary traders charge is proposed of £10 on weekdays, £15 on Saturday and £15 on Sunday.

- 4.4 In 2006/2007 Markets Management selectively introduced a half price pilot offer in respect of additional vouchers for extra pitches, aimed at reversing the fall in the number of temporary traders, who are integral to our markets, and this has proved successful and filled out the markets, whilst maintaining levels of income.

It is therefore recommended that a half price regenerative charge for temporary traders is introduced on a sustainable basis in those markets and on such days as management and existing traders consider appropriate.

Isolated pitches charges to be Weekdays £20, Saturday £40 and Sunday £50

- 4.5 Isolated pitches are those that lie outside a designated market area and typically are the coffee stall in Brushfield Street and the Ice Cream vendor on Tower Hill. There is a need to review these charges as it has become apparent that their supervision should be more frequent than at present. To cover the cost of increased activity it is recommended that the charges are increased at weekdays from £10.30 to £20, on Saturdays from £27.80 to £40, and on Sundays from £36 to £50.

The charges for transportation and storage of goods seized to be £100.

- 4.6 The historic deficit in the Street Traders Account is in part due to the cost of dealing with illegal trading. Where goods that have been seized by the Market Service or Police and are subsequently returned to the owner: to recover a proportion of the administrative costs of transportation and secure storage etc, it is recommended that a pre-restoration charge of £100 is introduced.

5 CONSULTATION

- 5.1 Street Trader Representatives were consulted with respect to the change in Fees and Charges at a meeting on 26 November 2007 and another will take place on 21 January 2008. A public notice detailing the proposed charges will be placed in East End Life in February 2008, providing an opportunity for objections to be made before the final fees and charges are endorsed.
- 5.2 In order to promptly implement the proposals effectively, at the end of the statutory 28 day consultation period, and after all representations have been considered, Cabinet is asked to authorise the Corporate Director of Communities, Localities and Culture to apply the increases once he is satisfied that due legal process has been followed. If matters of Council policy arise, these will be referred back by the Corporate Director to the Cabinet for decision.

6 COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 6.1 This report sets out proposals for increases to Street Trading Charges as outlined in the Appendix 1. The Street Trading Account operates in accordance with the London Local Authorities Act 1990 (as amended), which stipulates what charges can be made to the account. These charges are kept under regular review to ensure that all relevant expenditure is recovered via fees and charges. These currently include the costs of street cleansing, waste disposal, revenue services and management overheads. The account should break even year on year with the expenditure being matched by income. If income exceeds expenditure, the surplus accruing should be reinvested in the operation of the Street Markets. Any deficit on the account should be recovered as soon as practicable. As at 31.3.07 the Statutory Street Trading Account reflected a deficit of £152k mainly as a result of reduced income from casual trading activity and increased expenditure on crime initiatives in 2006/07. The projected position for the 2007/08 account indicates a further deficit will be recorded resulting in a projected net deficit within the statutory account in excess of £350k at 31.3.08
- 6.2 Based on current projections it is anticipated that income accrued from fees and charges in 2008/09 as set out in Appendix 1, if implemented as proposed will match expenditure proposals for the year. Other measures will be necessary to offset the historic deficit and these are included within the Street Trading Business plan outlined in par 3.5.(e.g. reducing cleansing and waste disposal costs, reducing administrative overheads) these measures are to be implemented from the start of the 08/09 financial year, and are anticipated to contribute to the Statutory Account returning to a balanced position by 31.3.09.

7 CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 7.1 Section 32(1) of the London Local Authorities Act 1990 (as amended) permits a Borough Council to charge such fees for the grant or renewal of a street trading licence under this Part of this Act, the grant of a temporary licence or for the variation at the request of the licence holder of the conditions of a street trading licence as they may determine and as may be sufficient in the aggregate to cover in whole or in part the reasonable administrative or other costs in connection with their functions under Part II of the 1990 Act (that is functions relating to Street Trading), not otherwise recovered.
- 7.2 Further, section 32(2) of the 1990 Act permits a Borough Council to recover from licence holders such charges as may be sufficient in the aggregate taking one year with another to cover the reasonable costs, not otherwise recovered, of the collection, removal and disposal of refuse or other services rendered by them to such holders; the cleansing of streets in which street trading takes place in so far as that cleansing is attributable to such trading; any reasonable administrative or other costs

incurred in connection with the administration of this Part of this Act; and the cost of enforcing the provisions of Part III of this Act.

- 7.3 Section 32(6) of the 1990 Act also permits a Borough Council to determine the fees to be charged on the grant of a temporary licence and in doing so the Council shall have regard to the matters specified in section 32(2) above.
- 7.4 These fees and charges are collected in two (2) ways. Firstly, a fee is charged on the application for, renewal of or variation of a street trading licence. This covers the administration costs in respect of the consideration of such application and the issue of any subsequent licence. A person who wishes to trade by way of a temporary licence will also pay a fee in respect of his/her application to be registered as a casual trader. Secondly, licensed traders will then pay a four-weekly charge for their licence and such charge dependent upon the numbers of days, days of week etc. that the trader trades. Traders who trade on a temporary licence pay a fee dependent upon the day etc. that they trade.
- 7.5 Prior to making such charges, the 1990 Act provides that the Council shall give notice of the proposed charges to licence holders or to a body or bodies representative of them; and shall also publish notice of the proposed charges in a newspaper circulating in the area in which the licence street or streets in respect of which the charges will be applied is situated. The notice of the proposed charges to licence holders or to a body or bodies representative of them shall be accompanied by a statement showing how the proposed charges have been computed; and any body representative of licence holders may request the Borough Council to supply such further information or explanation with regard to the proposed charges as the body may reasonably require in order to ascertain whether the proposed charges are reasonable and have been computed in accordance with the provisions of this section. The Council are under a duty to comply with any such request.
- 7.6 The notice shall specify a reasonable period being not less than twenty-eight (28) days from the date of publication of the newspaper in which the notice is also published within which written representations concerning the proposed charges may be made to the Borough Council and it shall be the duty of a borough council to consider any such representations which are made to them within the period specified in the notice; and to comply with any request for further information from the body representative of licence holders. Where any such request is made the period for representations is extended by the number of days beginning with the day on which the request is made and ending with that on which it is complied with. So, for example, if a request is made on day twenty (20) of the period for representation and takes seven (7) days to comply with it then that will extend the twenty-eight (28) consultation by seven (7) days to thirty-five (35) days.

8 EQUAL OPPORTUNITIES IMPLICATIONS

8.1 None specific.

9 ANTI-POVERTY IMPLICATIONS

9.1 All the changes will be benefit to some degree to the majority of traders and help regenerate the street markets as a source of employment and as a community asset.

10 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 None specific.

11 RISK MANAGEMENT IMPLICATIONS

11.1 The effect of this report is to make minor adjustments and not upset the balance of income against expenditure that has emerged over the last two years of Market Service management.

12 APPENDICES

Appendix 1 - Proposed charges for street trading in LBTH .

Appendix 2 – Comparative table of fees and charges.

APPENDIX 1

**PROPOSED CHARGES FOR MARKET TRADING IN TOWER HAMLETS
2008/9 UNDER LONDON LOCAL AUTHORITIES ACT 1990 (as amended)**

<i>Market</i>	<i>Trading Day</i>	<i>Actual Daily Charge (£)</i>			<i>Recommended Daily Charge (£)</i>		
		<i>Weekday</i>	<i>Sat £</i>	<i>Sun</i>	<i>Weekday</i>	<i>Sat £</i>	<i>Sun</i>
Markets other than set out below *	As described on permanent licence	4.50	25	36	5	25	36
Whitechapel	Monday to Saturday	4.50	25	n/a	6.00	30	n/a
Columbia Road	Sunday only	n/a	n/a	36	n/a	n/a	45
Watney Street & Roman Road Square	Monday to Saturday	4.50	25	n/a	5	25	n/a
Chrisp Street	Monday to Saturday (normal)	4.50	25	n/a	5	25	n/a
	Monday to Saturday (large))	6	45	n/a	6	45	n/a
Temporary Licences (in any market)	All Days of Week	20 .60	30.90	36.00	20 .60	30.90	36.00
Regenerative Temporary Licences	As separately specified	-			10	15	20
Daily variation "extra pitch voucher"	All Days of Week	5.00	10.00	15.80	5.00	10.00	15.80
"Isolated pitches"	All Days of Week	10.30	27.80	36.00	20	40	50
Trading after 6 p.m.	All Days of Week	5 a day			5 a day		
Fresh produce & flower refuse removal	All Days of Week	5 a day Discretionary			5 a day Discretionary		
Display of Goods & other use of public footway and space	Anywhere in the Borough	25 a week			£1 a square metre a day (proposed in a separate Report to Cabinet)		
Forecourt Trading	Anywhere in the Borough	25 a week			25 a week		
Licence application and renewal fee – All Street, Display of Goods & Forecourts		60 (for 3 years)			60 (for 3 years)		
Licence Holder's Registered Assistant application fee		10 (valid for term of licence holder's existing licence)					
Admin charge for refunds, duplicate documentation, licence deposit, licence Reclaim or providing copy documentation.		25					
Charge per arrears letter		20					
Licence variation fee		50 (Quarterly)			50 (Quarterly)		
Replacement Pitch card		15			15		

* As is the case in the current year it is proposed in 2008/9 to hold the Sunday charge for Petticoat Lane at £32

COMPARISON OF STREET TRADERS PERMANENT LICENCE CHARGES

APPENDIX 2

Charge/Borough	LBTH Proposed	ISLINGTON	KENSINGTON & CHELSEA	HACKNEY	NEWHAM	HARINGEY
Weekly Charge M- F	£30 £35 (Whitechapel)	£26-£27	£23-35	£6 (Hoxton) to £50 (Ridley Rd)	£42 (Kelland Pk) to £88 (Stratford)	£27 -£51
Saturday Charge	£25 £30 (Whitechapel)		£47			
Sunday Charge	£36 £45 (Columbia) £32 Petticoat La.		Not Applicable	N/A		

