

WANDSWORTH BOROUGH COUNCIL

ENVIRONMENT AND PUBLIC SERVICES OVERVIEW AND SCRUTINY COMMITTEE  
- 1ST NOVEMBER 2005

EXECUTIVE – 14TH NOVEMBER 2005

REGULATORY LICENSING COMMITTEE – 14TH NOVEMBER 2005

Report by the Director of Leisure and Amenity Services on the Council's Street Trading Service.

SUMMARY

This report reviews the state of licensed street trading in the Borough. It considers the fees and charges for street trading in the Borough and proposes revised rates to be effective from 1st February 2006. It recommends that a 25% increase is made in the base charges for the 2006/07 street trading year to cover all costs, which have risen with increased refuse disposal costs.

It suggests that costs can be reduced if traders agree to make their own satisfactory arrangements for clearing their refuse and additional income can be generated by adding more pitches to Northcote Road market. This could reduce charges in future years.

1. **Recommendations.** The Environment and Public Services Overview and Scrutiny Committee are recommended to support the recommendations in paragraphs 3 and 4.
2. If the Overview and Scrutiny Committee approve any views, comments or additional recommendations on the report, these will be reported to the Executive and to the Regulatory Licensing Committee for their consideration.
3. The Executive is recommended to:
  - (a) agree that the Director of Leisure and Amenity Services should consult with traders about the practicalities of them assuming responsibility for their own refuse disposal and report the results to the Executive; and

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- (b) agree that the Director of Leisure and Amenity Services should investigate with the Director of Technical Services the possibility of extending Northcote Road market by six pitches on Fridays and Saturdays and report back on the results to the Executive.
4. The Regulatory Licensing Committee is recommended to:
- (a) note for information the present position of street trading in the Borough;
  - (b) agree that revised charge factors set out at Appendix 1; and
  - (c) agree that, subject to the statutory notification procedure, that from 1st February 2006 the base street trading pitch licence fee is to be increased by 25% and other charges be adjusted similarly, as set out in Appendix 2.
2. **Background.** Street trading in the Borough is controlled by the London Local Authorities Acts. This enables the Council to designate streets as ‘licence streets’ where street trading can take place, make regulations to control the methods of trading, and set fees and charges. The charges can be set to cover only the reasonable costs of collection, removal and disposal of refuse, additional cleansing of streets, administrative costs and the costs of enforcement. Year on year the Street Trading Account must not make a profit.
3. In 1999 the former Environment Committee and the Regeneration and Transport Committee approved (Paper No. 99-134) the formation of an inter-departmental steering group, the Markets Advisory Group (MAG), to bring together officers from the Leisure and Amenity Services Department with officers from the Economic Development Office and the Technical Services Department to investigate and revitalise street trading. This group continues to play an important role in the development of future plans for street trading.
4. **Street Trading Services - Action Plan.** Paper No. 01-780, approved by the Licensing Committee in September 2001, incorporated a plan to expand and revitalise the Borough’s street trading services. The officers, in conjunction with the Markets Advisory Group, have spearheaded implementation of this plan. The key elements of the action plan form the basis for ongoing development and are summarised as follows:
- (a) development and implementation of schemes to refurbish market areas – see paragraphs 11 below;
  - (b) revision of the charging scheme for street trading pitches – see paragraph 18 below and Appendix 1 attached;
  - (c) provision of assistance to street traders to improve their pitch – see paragraph 7 below;
  - (d) increase the occupation rate and maximise income of existing street trading pitches – see paragraphs 6 to 14 below;
  - (e) develop additional street trading pitches – see paragraphs 9 and 14 below;
  - (f) reduce levels of illegal street trading, where possible substituting licensed street trading pitches – see paragraph 15 below; and

- (g) development of specialist (e.g. Farmers) markets – see paragraphs 8 and 13 below.
5. **Street Trading Services – Current Situation.** The following section of the report sets out the current position in respect of each area of the Borough's street trading service and, where appropriate, provides information in respect of the action plan.
  6. **Northcote Road Market, SW11 (Northcote).** Northcote Road continues to be the Borough's most popular and thriving open air street market, particularly on Friday and Saturdays. There are currently 21 traders operating on 26 pitches, with a waiting list of 29 applicants.
  7. Following the loss of storage facilities traders have experienced difficulties adapting to the need for new lightweight barrows and stalls. A number of the older wooden barrows are still in existence, which are in need of upgrading. With assistance from the officers, one street trader was successful in obtaining grant funding in the year towards a new stall from the Wandsworth Business Advice Service (WBAS). Further applications for similar grant funding are expected.
  8. A "French Market" was organised from the 14th to 15th of May 2005. This event proved to be successful in attracting visitors and new customers to the market.
  9. The character of Northcote Road has changed over the years. A few years ago, a number of street trading pitches were surrendered to provide parking spaces as pitches were not being filled. Now, there are more traders on the waiting list than pitches, although most of these only want to trade on Friday and Saturday. It is proposed that discussions are held with the Director of Technical Services on the practicalities of returning parking spaces on Friday and Saturday to enable another six pitches to be let. The additional costs would be minimal and income of about £16,000 a year should be possible.
  10. **Hildreth Street Market, SW12 (Balham).** There are currently six traders operating on eight pitches with four applicants on the waiting list.
  11. On the 11th November 2003 the Regeneration and Transport Overview and Scrutiny Committee (Paper 03-850) approved recommendations to set up a management company to facilitate improvements to the Mews area. It also proposed other action designed to improve Hildreth Street, which would lead to an increase in private sector investment. Following approval of recommendations a design framework was commissioned by Wandsworth Council and the Balham Town Centre Partnership to see how Hildreth Street and Hildreth Mews could become more attractive. These developments were approved by the Executive on 19th September 2005. Phase One of the development began on 4th October 2005 and is due to be completed by mid-November. It will cause some displacement of traders but this will be kept to a minimum in the important Christmas trading period.
  12. **Battersea High Street Market, SW11 (Latchmere).** Since the introduction of Saturday only trading there have been six traders operating from seven pitches. Interest in the Saturday market is growing and it is expected that the number of let pitches will increase.
  13. A successful 'French Market' was held on 13th May in Battersea High Street. The officers, together with the Clapham Junction Town Centre Manager, are researching the possibility of establishing a regular 'Farmers' market.

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14. **Scattered Sites.** There are currently 26 traders trading from 26 sites.
  - (a) Pitches at Withycombe Road, SW19 (West Hill) and Lydden Road, SW18 (Earlsfield) were designated for Street Trading by the former Public Services Committee in January 2005, after successful trials on a temporary basis.
  - (b) The designation of the street trading site at Gilbey Road, SW17 (Tooting) was rescinded as street trading had not taken place at this location for the past six years.
  - (c) A temporary licence has been granted for a new pitch in Old York Road, SW18 (Fairfield) adjacent to Wandsworth Town Station, to assess whether it is suitable for regular trading.
15. **Enforcement.** The Waste Management Section includes a Street Care Team whose duties include enforcement. The Street Care Team, depending on current priority tasks, are at intervals targeted to carry out street trading inspections and checks in the markets followed by advice or prosecution as is deemed appropriate where infringements of the law or street trading regulations are noted.
16. **Refuse.** The costs of disposal of waste are rising. Firstly evidence gathered in connection with the dispute with Western Riverside Waste Authority (WRWA) revealed higher arisings from the markets than had traditionally been used as the basis for street trading charges but additionally, as a result of the Landfill Allowances Trading Scheme (LATS), disposal rates will rise by £20 per tonne from 1st April 2006 and may continue to rise.
17. As agreed by the Executive in Paper No. 05-425, street traders will be asked if they wish to make their own arrangements for the collection and disposal of their refuse, as they should be able to obtain disposal without the extra LATS charges. The charges for traders on sites who make their own arrangements will then be reduced by a 30% factor to reflect this reduction in service. Inspections will be made of sites to check that traders are removing their refuse and they will be required, under Section 34 of the Environmental Protection Act 1990, to produce proof that they have taken it to a licensed disposal site or had it collected by a registered waste carrier. Should this prove unsuccessful, then full disposal and collection costs can be charged to the traders concerned.
18. **Charges.** As agreed by the former Environment Committee in 1998 (Paper No. 98-830), a system of assessing charges is in place that varies the charge by the factors that affect the profitability and costs of each stall. It is proposed that the factors and weightings remain the same, except that for removal of litter and refuse where a reduction of 30% will be substituted for any other reduction/increase where the service is withdrawn. The recommended factors and weightings are set out in Appendix 1 to this report.
19. At Appendix 3 is a summary of the Street Trading Account for the last three years, a forecast for this year and a proposed account for 2006/07.
20. It is considered that the income achieved from applying the current charges, combined with income accruing from the traders currently operating will not be sufficient to balance the budget for the 2006/07 year. It is therefore proposed that, as set out in Appendix 2, an increase of 25% be made in the basic charge of £273 a month increasing it to £341 a month. Should additional income be generated or savings made, then these are retained within the street trading account with any surplus in one year being used to reduce charges in

subsequent years.

21. The London Local Authorities Acts require that the new charges are published in a local paper and that the traders and public are given 28 days to ask questions or challenge them. Subject to the Regulatory Licensing Committee's approval, the Chief Executive and Director of Administration will publish the proposed charges set out in this paper this month. Any challenges will be reported to the next meeting of the Regulatory Licensing Committee so that agreed charges can be introduced from 1st February 2006.
22. **Comments of the Director of Finance.** Under the legislation controlling street trading, the Council can recover only the additional costs of cleansing plus the cost of administering and enforcement of the street trading activity. This report proposes changes to the basic monthly street trading pitch charge for 2006 which have been calculated to recover the estimated costs in operating this activity.
23. Appendix 3 shows the forecast of a loss of £48,000 for the current financial year, 2005/06, after taking into account the proposed level of charges. Where a deficit is incurred it can be written off or carried forward with a view to recover it from future years trading. The previous years' results are as follows:-

	Deficit £'000	Transfer to Revenue £'000	Deficit/Surplus carried forward £'000
2001/2002	5	5	-
2002/2003	1	1	-
2003/2004	21	21	-
2004/2005	15	15	-
2005/2006 (forecast)	48	48	-

24. **Conclusion.** This report shows that an increase of 25% to street trading pitch licence fees to balance the street trading account is justified. The proposal that traders should be consulted about taking on more responsibility for their own refuse could result in a reduction in pitch charges. The proposed investigations about taking back a further six pitches in Northcote Road could identify an opportunity for raising additional income.

The Town Hall,  
Wandsworth,  
SW18 2PU.

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P G BRENNAN  
Director of Leisure and Amenity Services

24th October 2005

**Background Papers**

No background papers were used in the preparation of this report.

**CHARGE FACTORS FOR 2006**

1. Factors. The basic charge will be adjusted up or down by the various factors set out below with the monthly charge rounded to the nearest whole pound. Proposed changes are shown in *italics*.
2. The various factors used to assess the charges are:
  - a. Advantageous location
  - b. Days of operation
  - c. Hours of operation
  - d. Production of litter and refuse
  - e. Size of pitch
3. Advantageous Location. Percentage increase/decrease from the basic charge according to the nature of the pitch location are:
  - a. Scattered site (excluding news vendors) close to a railway station = +25%
  - b. Scattered site (news vendors) close to a railway station = +15%
  - c. Scattered site elsewhere within the Town Centres = +15%
  - d. Other scattered sites = 0%
  - e. Northcote Road Market = +5%
  - f. Battersea High Street Market = -5%
  - g. Hildreth Street Market = 0%
4. Days of operation. Percentage increase/decrease from the basic charge for varied days of operation are:
  - a. Monday to Friday = 0%
  - b. Each day closed, Monday to Thursday = - 14%
  - c. Closed Friday = -20%
  - d. Open Saturday = +30%
  - e. Open Sunday = +25%
5. Hours of operation. Percentage increase from the basic charge for hours of operation longer than the normal:
  - a. 7.00 am to 6.00 pm = + 0%
  - b. 6.00 pm to 10.00 pm = +5%
  - c. 10.00 pm to 7.00 am = +15%
2. Litter and Refuse. Percentage increase/decrease from the basic charge for litter and refuse according to the articles sold are:
  - a. Fruit, vegetables, flowers, plants and bread and pastries = +10%
  - b. Refreshments and ice-cream = +10%
  - c. Other stalls = 0%
  - d. News vendors = -30%

e. *Own disposal of refuse = -30% [Note: This is in substitution for the factors at sub-paragraphs (a) to (d) above, not in addition to them.]*

3. Size of pitch. Percentage increase/decrease from the basic charge for larger or smaller pitches are:

- a. Under 5 metres<sup>2</sup> = -20%
- b. 5-8.99 metres<sup>2</sup> = -10%
- c. 9-10.99 metres<sup>2</sup> = 0% (e.g. standard 5 x 2 metre pitch)
- d. 11 to 17.99 metres<sup>2</sup> = +15%
- e. 18 to 22 metres<sup>2</sup> = +30%
- f. Over 22 metres<sup>2</sup> = +50%

8. Minimum Percentage. The percentage of the basic charge shall not be decreased below 20% by the application of the above factors for any licence.

**STREET TRADING CHARGES FOR 2006**

**Table 1**

<b>FEES FOR A LICENCE OR LICENCE VARIATION</b>			
	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Increase/ Decrease</b>
<b>Permanent and Temporary Licences other than a daily licence charged under Table 3</b>	<b>£60.00</b>	<b>£60.00</b>	<b>No Change</b>

**Table 2**

<b>STREET TRADING PITCH CHARGES</b>			
	<b>Current Charge/Month</b>	<b>Proposed Charge/Month</b>	<b>Increase/ Decrease</b>
<b>Basic Charge for a trading pitch</b>	<b>£273.00</b>	<b>£341.00</b>	<b>Increase (25%)</b>

**Table 3**

<b>DAILY STREET TRADING PITCH CHARGES</b>			
	<b>Current Charge/Day</b>	<b>Proposed fee</b>	<b>Increase/Decrease</b>
<b>Monday – Thursday</b>	<b>£19.00</b>	<b>£24.00</b>	<b>Increase 24%</b>
<b>Friday - Saturday</b>	<b>£25.00</b>	<b>£31.00</b>	<b>Increase 24%</b>
<b>Sunday</b>	<b>£33.00</b>	<b>£41.00</b>	<b>Increase 24%</b>

**Table 4**

<b>ADDITIONAL HOURLY STREET TRADING PITCH CHARGES</b>			
	<b>Current Charge/Day</b>	<b>Proposed Charge/Day</b>	<b>Increase/Decrease</b>
<b>Monday – Thursday</b>	<b>£2.36</b>	<b>£3.00</b>	<b>Increase 27%</b>
<b>Friday - Saturday</b>	<b>£3.05</b>	<b>£3.80</b>	<b>Increase 24%</b>
<b>Sunday</b>	<b>£4.20</b>	<b>£5.20</b>	<b>Increase 24%</b>

**FINANCIAL STATEMENT FOR THE STREET TRADING SERVICE**

<b>EXPENDITURE</b>	<b>2002/03 Actual £'000</b>	<b>2003/04 Actual £'000</b>	<b>2004/05 Actual £'000</b>	<b>2005/06 Forecast £'000</b>	<b>2006/07 Forecast £'000</b>
Employee costs	35	34	19	20	24
Electricity	6	(1)	5	6	9
Supplies and Services	2	0	1	1	1
Street cleansing costs	163	167	173	192	199
Less allowance for normal cleansing	(30)	(31)	(32)	(33)	(34)
Agency and contracted	6	9	1	1	1
Disposal costs	Included in above	Included in above	12	26	31
Central & Technical support costs	16	18	23	15	20
DOLAS general admin costs	6	6	6	7	7
<b><u>TOTAL EXPENDITURE</u></b>	<b><u>204</u></b>	<b><u>202</u></b>	<b><u>208</u></b>	<b><u>235</u></b>	<b><u>261</u></b>

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<b>INCOME</b>	<b>2002/03 Actual £'000</b>	<b>2003/04 Actual £'000</b>	<b>2004/05 Actual £'000</b>	<b>2005/06 Forecast £'000</b>	<b>2006/07 Forecast £'000</b>
Fees & Charges	203	181	193	190	261
<u>TOTAL INCOME</u>	<u>203</u>	<u>181</u>	<u>193</u>	<u>190</u>	<u>261</u>
Deficit/ (Surplus) in year	1	21	15	48	0
Deficit/ (Surplus) carried forward from previous year	0	0	0		
Deficit/ (Surplus) charged to revenue	1	21	15		
Deficit/ (Surplus) carried forward	0	0	0		