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CAMBRIDGE CITY COUNCIL

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REPORT OF: Emma Thornton- Head of Tourism and City Centre Management

TO: Licensing Committee - 28 January 2013.

WARDS: Market ,Castle and Newnham

**Review of Street Trading Charges**

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1) **INTRODUCTION**

1.1 On 8<sup>th</sup> October 2012 Licensing Committee approved a new Street Trading Policy for Cambridge. At this meeting the Head of Tourism and City Centre Management outlined that the current fees for street trading charges were due to be reviewed. This report sets out the results of this review and the proposed fees for street trading charges, which subject to the outcome of appropriate consultation, will be implemented from 1<sup>st</sup> April 2013.

1.2 In November 2012 the Government confirmed that Street Trading comes within the requirements of the European Services Directive. This review of charges ensures the proposals are compliant with the Provision of Services Directive 2009(PSR), which implement the requirements of the Directive.

2. **RECOMMENDATIONS**

2.1 To approve for consultation the proposed fees for street trading consents for the year from 1<sup>st</sup> April 2013 as set out in **Appendix 1**.

2.2 To consider the responses to the consultation and to set the fees for street trading consents at a special Licensing Committee meeting at

the end of March (a provisional date of 25<sup>th</sup> March has been agreed. This will be confirmed at the Licensing Committee on 28<sup>th</sup> January).

### 3. **BACKGROUND**

#### 3.1 **Legislative guidance on setting fees**

3.1.1 How a local authority determines the fees it charges for street trading consents is set out in legislation – Schedule 4 to the Local Government (Miscellaneous Provisions) Act 1982 LG(MP)A.

“Local authorities may charge such fees that they consider reasonable for the grant or renewal of a street trading consent.”  
LG(MP) A paragraph 9 (1) )

3.1.2 In addition the fees charged must be compliant with the Provision of Services Regulations 2009 ( PSR) which implements the EU Services Directive. In November 2012 Government confirmed that Street Trading comes under the Directive.

3.1.3 The PSR regulation 18 (4) provides further guidance on how local authorities may set fees;

“Any charges provided for by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.”

3.1.4 Further Guidance issued on Regulation 18 by the Department for Business Innovation and Skills was issued in January 2010, which states as follows;

“Under PSR regulation 18, fees charged in relation to authorisations must be proportionate to the effective cost of the process, i.e. must cover no more than the actual cost of the authorisation process.

3.1.5 Local authorities may determine different fees for different types of consent and, in particular, may determine fees taking into account the following;

- (a) the duration of the consent;
- (b) the street in which it authorises trading; and
- (c) the descriptions of articles in which the holder is authorised to trade

## 3.2 Proposed approach

3.2 The objective of this review is to ensure that the costs associated with the authorisation of street trading consents are covered by the fees charged and that these fees are compliant with legislation and the EU Services Directive.

3.2.1 A review of income and expenditure in 2012/13 has highlighted that income is not currently matching expenditure on the street trading account. This is in part due to the transfer of the Pavement Cafes licensing function back to the County Council in April 2012, (this accounted for approximately £7k of income which has historically was paid into the street trading account) and the fact that the total costs of authorisation of street trading consents is not covered by the current level of fees. This is anticipated to result in an deficit on the street trading account. This is illustrated in the table below:

<b>Year</b>	<b>2012/13 (£)</b>	<b>2013/14 (£)</b>
<b>Expenditure</b>	70,300	64,760
<b>Income</b>	(55,720)	(66,500)
<b>(Surplus) / Deficit</b>	14,580	(1,740)
<b>B/f ( Surplus) /Deficit</b>	(13,100)	1,480
<b>C/f ( Surplus)/Deficit</b>	1,480	(260)

3.2.2 To address this the Council is proposing the following:

3.2.3 To apply a 2% increase on the 12 month consent fees.

3.2.4 To standardise the way in which the 12 month fees are apportioned for 4 month and 8 month consents. With the current 2012/13 fees, an 8 month food consent fee was 73.6% of the 12 month fee and an 8 month retail consent fee was 70.6% of the 12 month fee. It is proposed to standardise this as follows;

8 month consent - 75% of the 12 month fee which will run from 1<sup>st</sup> April to 30<sup>th</sup> November

4 month consent - 25% for a 4 month pitch which will run from 1<sup>st</sup> December to 31<sup>st</sup> March.

- 3.2.5 Officers consider that this a fair approach and reflects the increased footfall which the 8 month pitches experience and the quieter 4 month winter/early spring period.
- 3.2.6 In setting these fees assumptions have been made that approximately 6 months income will be received from 4 of the 6 new 12 month pitches and 5 of the 4 month pitches being taken up in 2013/14. The Council will be consulting on these proposed pitches over the next few months. The 6 month income takes into account the consultation period, and the advertisement and application process which will mean that these pitches are unlikely to be occupied until the second half of the 2013/14 financial year.
- 3.2.5 The Council will continue to review the schedule of charges on an annual basis. It is therefore possible that if the number of pitches taken up increases above the assumptions made, that fees could be reduced in subsequent years. Equally if the take up of the new pitches does not match the assumptions made, then fees may have to increase. Ultimately the annual charges will depend on the numbers of pitches available and the uptake of these.

#### **4. CONSULTATIONS**

- 4.1 In determining these street trading charges the Council will consult with the Cambridge Street Traders Association and publish the consultation on the Council's website. This consultation will run for 6 weeks from 30<sup>th</sup> January to 13<sup>th</sup> March 2013.
- 4.1.2. The Council shall consider any such representations which are made to them during the consultation period and report back to this committee in March at a date to be confirmed?
- 4.1.3 Officers in the council's finance and legal teams have been consulted in the development of these proposals.

#### **5) CONCLUSIONS**

The proposed review of consent fees ensures that the deficit carried forward from 2012/13 into 2013/14 is recovered and that the account continues to operate on a cost recovery basis, in line with legislation and the EU Services Directive.

#### **6) IMPLICATIONS**

##### **(a) Financial Implications**

The objective of these proposals is to ensure that the street trading function is operated on a cost recovery basis and in line with legislation and the EU Services Directive. As a consequence Street Trading Consents are proposed to be increased by 2% for 2013/14.

**(b) Staffing Implications**

There are no staffing implications to these proposals.

**(c) Equal Opportunities Implications**

A full Equalities Impact Assessment on the new Street Trading Policy was undertaken in October 2012 and is available to view on the council's website. The proposed review of fees is consistent with this policy.

<http://www.cambridge.gov.uk/ccm/content/council-and-democracy/how-the-council-works/council-policies-and-plans/equality-and-diversity/equality-impact-assessments.en>

**(d) Environmental Implications**

There are no environmental implications to these proposals.

**(e) Procurement**

There are no procurement implications to these proposals

**(f) Community Safety**

There are no community safety implications to these proposals.

**7) BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

Schedule 4 to the Local Government (Miscellaneous Provisions) Act 1982

**8) Appendices**

**Appendix 1 – Proposed Street Trading Charges**

To inspect these documents contact Emma Thornton on extension 7464

The author and contact officer for queries on the report is Emma Thornton on extension 7464

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