

SUPPLEMENTARY AGENDA

THE EXECUTIVE

Tuesday, 30 May 2006

**Agenda Item 4a Barking Town Centre Market - Fees and Charges
2006/2007 (Pages 1 - 5)**

Contact Officer: Amanda Thompson
Telephone: 020 8227 3103
Fax: 020 8227 2171
Minicom: 020 8227 2685
E-mail: amanda.thompson@lbbd.gov.uk

This page is intentionally left blank

THE EXECUTIVE

30 MAY 2006

REPORT OF THE CORPORATE DIRECTOR OF REGENERATION

This report is submitted under Agenda Item 4. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order so as not to delay the implementation of the revised charges for 2006/2007.

Barking Town Centre Market: Fees and Charges 2006/07	For Decision
<p>Summary</p> <p>In July 2001 the London Borough of Barking and Dagenham (LBBDD) Charging Policy Commission set a number of principles to be considered when setting fees and charges. This report sets out the current basis on which charges are levied on the Barking Town Centre Market Traders, and proposes revised charges for this service, which reflect the Charging Policy Commission principles.</p> <p>Wards Affected</p> <p>Town Centre location in Abbey and Gascoigne.</p>	
<p>IMPLICATIONS</p> <p>Financial:</p> <p>To increase market income to cover increased costs resulting from 2005/06 inflation. These changes will generate an additional income of £27,000 per annum, to the ring fenced market account which under the London Local Authorities Act can only be used for market and street trading-related purposes. The proposed new charges will remain comparable to those applied by similar local markets in the London</p> <p>All commitments for subsequent years (from 2007/8) will have to be reviewed in the light of reshaping the Market in relation to the East London Transit Scheme. However, according to current proposals, it will not take effect during the 2006/07 financial year. Some changes to charges may occur at that time if the trading area is reduced, although at this stage no significant change in overall size, in terms of the number of stalls, is expected. Application will be made in good time before this takes place.</p>	
<p>Legal:</p> <p>It has been confirmed that this report complies with the requirements of the London Local Authorities Act.</p>	

Risk Management:

If market charges are not increased annually to account for inflation and consequent increases in the council's own charges the income will be reduced accordingly and existing commitments could not be met.

The revised charges will still be competitive with other markets in the London Area. Barking Market operates close to its capacity, and this increase should not reduce its attractiveness to traders.

Existing Risk Management for Barking Market is unaffected by this application for 2006/07.

Social Inclusion and Diversity:

The Town Centre Market is extremely diverse ethnically and socially and accordingly serves the needs of the local economy with respect to both Traders and customers.

Crime and Disorder:

None

Recommendation:

The Executive is recommended to agree:

To the increases in the level of charges for trading on the Barking Town Centre Market from 26 June 2006 to cover increased costs from 2005/06 inflation as detailed in report.

Reasons:

The viability of Barking Town Centre Market is a key requirement for the economic well-being of the Town Centre and therefore will help to assist the Council achieve its Community Priorities of - Regenerating the Local Economy and Promoting Equal Opportunities and Celebrating Diversity.

Contact Officer:	Title:	Contact Details
Ralph Cook	Town Centres Manager	Tel: 020 8270 6015 Fax: 020 8270 6048 Minicom; 020 8227 2685 E-mail: ralph.cook@lbbd.gov.uk

1. Background

- 1.1 The assembly on 4 July 2001 accepted the recommendations of the Charging Policy Commission. The fundamental principles of the Council's Policy Commission is that there is a starting presumption that charges should be set to recover the full cost of the service, including all overheads and that any subsidy

must be transparent and demonstrably support or promote Council priorities and policy objectives in an effective manner.

- 1.2 The current charges have been in effect since 5 April 2005, when rates were raised in line with 2004/05 inflation. Increases agreed in previous years had ensured that charges levied at that date reflected inflation and cost increases since the town centre market was instituted in June 2000. Additionally, there was some 'upwards' restructuring to simplify the charge bands. This could be justified due to the increasing 'strength' of the market in those areas. A similar adjustment is proposed for one of the 'bands' in 2006/07.
- 1.3 The original market license fees and charges were set up when the new market opened on 17 June 2000. They were reviewed in 2003 when an average increase of 15% was imposed, and again in 2004 and 2005 when increases averaged 3.5% on both occasions, but with larger increases also to enable reduction in the number of charge bands.
- 1.4 Some parts of the pedestrian area are more attractive to traders than others. This is reflected in the variation in charge per foot of frontage. Policy is to reduce the number of charge bands when appropriate, although Old East Street will probably have to remain at a lower level longer term.

2. Proposal

- 2.1 In accord with the objective of continuing to reduce the number of charge bands, it is proposed that the Saturday rate for London Road be increased by 13% for 2006/07. The increased strength of the market' here makes this revision viable, and the charge will still be less than in other areas.
- 2.2 Old East Street will remain at lower charge rates, being commercially the weak part of the market. By 2007/08 financial year it would be the only area charged below the standard rate.
- 2.3 Saturday charges remain at higher level than weekdays, reflecting higher costs and higher levels of trade. This is normal for street trading.
- 2.4 It is proposed that:
 - i) Most charges are increased from 26th June 2006 by an average of 3.5%. The exceptions are London Road, Saturday at 13% and Old East Street Mid week at 7%.
 - ii) The previous practice of charging licence fees per foot of frontage per day is continued and the charges are rounded up to the nearest 10p as in previous years.
 - iii) Old East Street increased for inflation, but to remain at a lower rate than the rest of the market.
- 2.5 The above proposal would produce the following fees and charges (Inclusive of VAT) for 2006/07

	Midweek			Saturday.		
	Present	Propose	+%	Present	Propose	+%
	£	£	£	£	£	£
London Road	2.70	2.80	3.5	3.20	3.60	13
Ripple Road	2.70	2.80	3.5	3.70	3.80	3.0
East Street	2.70	2.80	3.5	3.70	3.80	3.0
Station Parade	2.70	2.80	3.5	3.70	3.80	3.0
'Old' East Street	2.15	2.30	7.0	3.20	3.30	3.5

Note:

Above charges are per foot of pitch frontage per day.

Charges correspond to usual practice of increased charges on Saturdays. Market opens Tuesday, Thursdays and Saturdays. Additional week-day opening at Christmas charged at the 'midweek' rates shown above.

3. Financial Implications

- 3.1 The council has 'first charge' on the market income with the object of preventing any financial liability falling on local residents. This has been successfully achieved since the market opened in 2000.
- 3.2 The Council's direct costs, including Administration, Finance, Inspection, and rubbish removal are met before any other charges are made to the account. Beyond this the operator is paid £10,000 per annum. All remaining income is divided (50%/50%) between the Council and the Market Operator.
- 3.3 The original market had roughly 20 stalls. In practice, it is necessary for the operator to sustain in the region of 65 stalls before any income is generated and this provides the commercial incentive.
- 3.4 The original objective was to sustain circa 80 stalls. In practice the average annually has been rather more than 135, which is close to the practical capacity in the space available.
- 3.5 The revised charges should add approximately £28,000 per annum on current turnover to be divided equally (50%/50%) between the council and the market operator.
- 3.6 It should be noted that income from the market is ring-fenced and can only be used for Market and Street Trading related purposes.
- 3.7 There are no capital issues relevant to this report.

4. Consultation

4.1 Councillors

Portfolio Holders

The following Portfolio Holder has been advised of the proposals.

Councillor Kallar; Regeneration.

Ward Councillors

The following Ward Councillors have been advised of the proposals

No prior consultation.

4.2 Officers

The following Officers have seen this report and are happy with it as it stands.

RD

Jeremy Grint, Head of Regeneration.

Finance

Alexander Anderson, Head of Finance (DRE)

Alan Russell, Head Of Audit

Tina Woodhouse, Accountant.

CS

Muhammad Saleem, Solicitor to the Council

Robin Hanton, Corporate Legal Manager

Bill Coomber, Corporate Equalities and Diversity Adviser

H and H

Jeff Elsom, Crime and Anti Social Behaviour Unit Manager

4.3 External

Charfleets Ltd.

Background Papers

- **Executive report minute number 367; Barking Market and Street Trading: Rent and Licence Charges 2005/06, 29 March 2005.**

This page is intentionally left blank