

**26<sup>TH</sup> SEPTEMBER 2022**

**REPORT NO. OS2216**

**KEY DECISION? NO**

## **REVIEW OF SCRAP METAL AND STREET TRADING LICENSING FEES**

### **SUMMARY AND RECOMMENDATIONS:**

This report outlines background and current fees for the Scrap Metal and Street Trading licensing regimes and proposes a new fee scale as set out in the tables in Appendix A.

The Corporate Governance and Audit Standards Committee are recommended to:

- Approve the proposed Scrap Metal Dealer Fees as outlined in this report, to take effect from 1<sup>st</sup> October 2022; and
- Approve consultation in accordance with legislation in respect of the Proposed Street Trading Fees and where no significant representations are received that they take effect from 1<sup>st</sup> December 2022

## **1. INTRODUCTION**

- 1.1. The purpose of this report is to seek the Committee's approval for the amendment of the current Scrap Metal and Street Trading Licensing fees.

## **2. BACKGROUND**

- 2.1. The Council is facing significant financial pressures in the current financial year due to the impact of inflation on costs and uncertainty around interest rates and the wider UK economy.
- 2.2. In common with many other local authorities, the Council is also forecasting a funding gap over the Medium-Term Financial Strategy (MTFS) period. A Savings and Transformation Programme is already in place with the Council working on a number of cost reduction and income generation workstreams to mitigate the financial sustainability risk outlined in the MTFS.
- 2.3. In light of the current year's financial pressures and the funding gap over the medium-term, services are expected to review their services to ensure costs are minimised and income from fees and charges take into account issues

of cost recovery. This report sets out the position on Scrap Metal and Street Trading Fees and should be seen in the wider context of strong budgetary control and robust financial management as a proportionate and balanced response.

- 2.4. In addition, the current fee structure for these regimes does not separate the administration and enforcement costs as required by the Provision of Services Regulations 2009.

### **3. DETAILS OF THE PROPOSALS**

#### **General**

#### **Scrap Metal Dealers**

- 3.1. Under the Scrap Metal Dealers Act 2013, local authorities may only charge on a cost recovery basis and there is guidance in respect of how fees should be calculated.
- 3.2. Having reviewed our current costs against some recent changes in structure and process, our current fees no longer accurately reflect the cost of administering the regime.
- 3.3. Our current fees are generally below our neighbouring authorities, the proposed fees would put us below some and above others dependent on the licence type. The comparison with neighbouring authorities is outlined in Appendix B – Table 1.
- 3.4. It is proposed that fees are amended for the ongoing service to achieve full cost recovery as far as we are able to in accordance with the legislation. The proposed new fee scale is outlined in Appendix A – Table 1.
- 3.5. The difference that the proposed fees are likely to make to the budget for the remainder of this financial year, and next financial year are outlined in Appendix C – Table 1.

#### **Street Trading**

- 3.6. Under the Local Government (Miscellaneous Provisions) Act 1982, local authorities may charge what is reasonable for the grant of a street trading consent.
- 3.7. Having reviewed our current costs against some recent changes in structure and process, our current fees and fee structure no longer accurately reflect the cost of administering the regime.
- 3.8. Both our current and the proposed fees are generally below our neighbouring authorities, although fee structures differ between authorities. The comparison with neighbouring authorities is outlined in Appendix B – Table 2. It also appears that some authorities include the cost of rent of the pitch itself where on Council land e.g. town centres. Rushmoor charge separately

for the rent of any land which is owned by them, therefore the fees proposed cover only the street trading consent element.

- 3.9. It is proposed that fees are amended for the ongoing service to achieve full cost recovery as far as we are able to in accordance with associated legislation. The proposed new fee scale is outlined in Appendix A – Table 2.
- 3.10. As part of this proposal, it is recommended that we remove the current fee for charitable street trading. If a trader is giving the profits from their trading to charity, this would fall under a charitable collection permitted by other legislation and licensed with no fee and is therefore exempt from street trading. In light of this, the charitable fee is not applied to any street trading application and is therefore not necessary.
- 3.11. The difference that the proposed fees are likely to make to the budget for the remainder of this financial year, and next financial year, based on current applications are outlined in Appendix C – Table 2. However, several event organisers choose not to have street trading at their event on liaison with the licensing team due to the current fee. Given that it is proposed that we separate events and have a different fee for them in the new structure, in acknowledgement of the short-term duration of the licence, we may see an increase in applications of this nature.
- 3.12. Before varying changes to the fees, the legislation requires local authorities to give notice to current licence holders and publish a notice in a local newspaper advertising the proposed changes and giving a reasonable period for representations. It is proposed that we allow a period of 28 days for representations, and if there are no significant representations received within this period, that the proposed fees are implemented with effect from 1<sup>st</sup> December 2022.

### **Alternative Options**

- 3.13. No change. Fees would remain unchanged and we would not accurately recover the costs, or structure our fees appropriately.

## **4. IMPLICATIONS**

### **Risks**

- 4.1. There are no risks associated with this report.

### **Legal Implications**

- 4.2. The Council is obliged to work within the relevant regulations to structure fees appropriately and avoid any income over and above a cost recovery basis. There are no other legal implications for this report.

### **Financial and Resource Implications**

- 4.3. If fees are not amended, cost recovery is not achieved, and the budgetary impact is demonstrated by Appendix C.

### **Equalities Impact Implications**

- 4.4. There are no equalities implications arising from this report.

### **Community Safety Implications**

- 4.5. There are no community safety implications arising from this report.

## **5. CONCLUSIONS**

- 5.1. The proposed fee scale for scrap metal dealers is recommended to the Committee to be implemented from 1<sup>st</sup> October 2022 to ensure cost recovery is achieved in accordance with the legislation.
- 5.2. The proposed fee scale for street trading is recommended to the Committee to be subject to public consultation for a period of 28 days, and if no significant representations are received to be implemented from 1<sup>st</sup> December 2022. Where significant representations are received, it is recommended that they are bought back to the Committee for consideration.

### **BACKGROUND DOCUMENTS:**

None

### **CONTACT DETAILS:**

**Report Author** – Shelley Bowman - Licensing Manager  
**Head of Service** – James Duggin – Head of Operations

## Appendix A Current and proposed fees

### Table 1 – Scrap Metal Dealers

	Current Fee	Proposed Application Fee	Proposed Enforcement Fee (payable on grant)	Proposed Total	Variance (£)	Variance (%)
<b>Collectors Licence</b>						
New	£160	£228.07	£45.31	£273.38	+£113.38	+71%
Renewal	£160	£202.20	£45.31	£247.51	+£87.51	+55%
Change of details / replacement licence	-	£18	-	£18	-	-
<b>Site Licence</b>						
New	£400	£283.95	£90.62	£374.57	-£25.43	-6%
Renewal	£400	£193.33	£90.62	£283.95	-£116.05	-29%
Variation of Licence	£80	£193.33	-	£193.33	+£113.33	+71%
Change of details / replacement licence	-	£5.92	-	£5.92	-	-

### Table 2 – Street Trading

	Current Fee	Proposed Application Fee	Proposed Enforcement Fee (payable on grant)	Proposed Total	Variance (£)	Variance (%)
New	£342	£183.60	£67.97	£251.56	-£90.44	-26%
Renewal	£342	£160.94	£67.97	£228.91	-£113.09	-33%
Charitable	£117.50	-	-	-	-	-
One off Event (up to 7 days)	£342	£183.60	-	£183.60	-£158.40	-46%
Change of Details e.g. name, address	-	£5.92	-	-	-	-

**Appendix B** Current fees charged by neighbouring authorities

**Table 1 – Scrap Metal Dealers**

	<b>Basingstoke &amp; Deane</b>	<b>Guildford</b>	<b>Hart</b>	<b>Surrey Heath</b>	<b>Waverley</b>	<b>Rushmoor Proposed</b>
<b>Collectors Licence</b>						
New	£313	£187	£363	£219	£443	£273.38
Renewal	£313	£187	£363	£219	£237	£247.51
Change of details / replacement licence	£28	-	£56	-	£422	£18
<b>Site Licence</b>						
New	£423	£204	£405	£435	£484	£374.57
Renewal	£423	£204	£405	£435	£278	£283.95
Variation of Licence	£79	-	£118	-	£484	£193.33
Change of details / replacement licence	£28	-	£36	-	-	£5.92

**Table 2 – Street Trading**

Basingstoke & Deane		Hart		Surrey Heath			Waverley		Rushmoor Proposed			
Street trading consents		<ul style="list-style-type: none"> <li>12 months: £513</li> <li>three months: £131 (seasonal consent, only one issued per calendar year)</li> </ul>		Charge For	Initial Cost	Renewal Cost	Total Cost	Description	Fee	New	251.56	
Annual street trading consents (new)	£860			Fast Food / Ice Cream Vehicles or stalls	£2,158	£1,079	N/A	Sole trader, annual consent	£376	Renewal	228.91	
Annual street trading consents (renewal)	£503			Other Food Vehicles or Stalls / Non-Food Traders (incl stalls)	£1,262	£631	N/A	Schedule 2 event, up to 50 traders, annual consent	£484	One off event	183.60	
Each additional van	£36			Daily Charge for Stall in Town Centre	N/A	N/A	£48	Schedule 2 event, 51 traders or more, annual consent	£497			
Short term consents (monthly for example Xmas trees)	£276			Weekly Charge for Stall in Town Centre	N/A	N/A	£202	Schedule 2 event, up to 50 traders, single event	£441			
Replacement badge	£28			Monthly Charge for Stall in Town Centre	N/A	N/A	£664	Schedule 2 event, 51 traders or more, single event	£454			
Replacement consent	£28			Annual Charge – Out of Town Food Traders (One day per week)	£586	£293	N/A					
				Annual Charge – Camberley Town Centre – markets/events 37 days a year (to include 25 markets and 12 events)	£2,482	£1,241	N/A					
				Initial Licence Premium = Renewal x 2								

## Appendix C Expected impact on income

### Table 1 – Scrap Metal Dealers

October 2022 – March 2023			Financial Year 23/24		
Current Fees	Proposed Fees	Difference	Current Fees	Proposed Fees	Difference
£400	£283.95	-£116.05	£880	£1026.48	+£146.48

### Table 2 – Street Trading

December 2022 – March 2023			Financial Year 23/24		
Current Fees	Proposed Fees	Difference	Current Fees	Proposed Fees	Difference
£1368	£915.64	-£452.36	£5130	£3343.03	-£1786.97