

Regulatory Committee

9.30am, Monday, 21 October 2019

Licensing Fees (Market Operators)

Item number	
Executive/routine	
Wards	Citywide
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Regulatory Committee:
 - 1.1.1 Notes the contents of this report; and
 - 1.1.2 Agrees to Option A and makes no change to the current fee structure.

Paul Lawrence

Executive Director of Place

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Licensing Fees (Market Operators)

2. Executive Summary

- 2.1 At its meeting on 23 April 2019 the Licensing Sub Committee considered a request on behalf of the Meadows Festival Association to accept a reduced application fee for a Market Operator's Licence in the West area of the Meadows. The committee agreed the fee reduction and noted an undertaking by the Regulatory Services Manager to bring forward a report which would allow the Regulatory Committee to review market operator licence fee charges for the City Centre ward. This report discharges that remit.

3. Background

- 3.1 The Council, as a licensing authority, should recover all reasonable costs incurred during the licensing process. The work of the Licensing Service is funded by income generated through fees charged for the processing and administration of licence applications. Fees for each licence category have been set on an individual basis and the current schedule of fees has been approved by Full Council.
- 3.2 The Council must balance the cost of licences to customers with the cost of administration, public safety and enforcement activity to ensure that licensed businesses and events operate safely and responsibly. Currently, not all Council costs are being covered by the licensing fee.
- 3.3 At the Regulatory Committee meeting on 2 February 2015 it was agreed to simplify the fee structure for markets (Appendix 1), creating a variable fee depending on the number of stalls and location. When considering location, the committee determined that events within the city centre would attract a higher fee than those outwith. The committee further determined that, for the purpose of City Centre licensing fees, the city centre would be defined as being within the Ward 11 boundary (Appendix 2). The report took account of the impact of licensing requirements on community events, such as gala days.
- 3.4 Following a review by the Boundary Commission (Scotland) at the 2017 Local Elections the City Centre Ward 11 (Appendix 3) was increased to include the section west of Middle Meadow Walk. Prior to this date the Meadows did not form part of Ward 11. This change of boundary therefore brought Market Operator

Licence charging for the West Meadows into a higher pricing regime. The Committee has heard about the impact on the cost and viability of staging community events such as the Meadows Festival as a result.

- 3.5 At the Full Council meeting on 21 February 2019 it was agreed as part of the final budget that increasing Council income was a priority for the Change Strategy, and the focus was on increasing existing or creating new income streams. The following text is from the final budget motion agreed by Council: “The Administration adopt a policy of full cost recovery for major events in the city delivered by third parties. It was agreed to increase cost recovery through charges levied for licensing and regulatory services, road occupation licences and consents, where permitted by legislation”.

4. Main report

- 4.1 At the Licensing Sub Committee meeting on 23 April 2019 the committee considered a request on behalf of the Meadows Festival Association to accept a reduced application fee for a Market Operator’s Licence in the West area in the Meadows. A similar request was also considered by the committee on 29 May 2018, when the applicant was advised to consider cost management of future events to ensure the appropriate budgetary arrangements were made in respect of covering any licensing fees.
- 4.2 The Meadows Festival is the only event of this nature that has approximately 130 stalls. Whilst a number of the stalls benefit the local communities directly, a significant number are clearly of a commercial in nature. Most gala day type events do not have the same commercial element and typically have approximately 10 to 20 stalls.
- 4.3 The application fee for a temporary outdoor market in Ward 11 operating less than once per calendar month is £84 per stall, subject to a maximum of £5,000.
- 4.4 The committee agreed a fee of £1000 for this year’s Meadows Festival event and noted the intention to review market operator licence fee charges for the city centre Ward at a future meeting of the Regulatory Committee.
- 4.5 The Council incurs significant costs in processing licence applications and dealing with associated issues arising from those licences. City centre licence applications generate significantly more work and current fee levels do not meet the cost of this work. The challenge is to balance cost pressures in providing effective public safety and enforcement activity with the need for affordability, particularly for smaller community events. The level of fee reductions and an increasing number of events cannot be sustained, as the cost is currently being met by other licence holders through their payment of fees.
- 4.6 Noting the concerns previously expressed by members of the committee and the requirement for full cost recovery for major events in the city, there are a limited number of options open to the committee.

Option A

- 4.7 No change is made to the current fee structure i.e. £84 fee per stall for up to 28 days subject to a maximum fee of £5,000. Applicants should plan accordingly to ensure the appropriate budgetary arrangements are in place.

Option B

- 4.8 No change is made to the current fee structure i.e. £84 fee per stall for up to 28 days, but the maximum fee is capped at £1000 for community based events provided there is no commercial element. There are very few community based events that don't have a commercial element and the challenge will be in identifying these events to ensure equity. The risk associated with this approach is that others may also seek the lower cap to make events more viable or profitable

Option C

- 4.9 To exclude the Meadows from the Market Operator fee structure for Ward 11. This would come at a significant cost to the council i.e. rather than £84 per stall the fee would be £6 per stall for up to 28 days. The application for this year's Meadows Festival was for 130 stalls and the fee was capped at £5,000, which is the maximum fee agreed within the fee structure. The committee subsequently agreed a fee of £1,000, a reduction of £4,000.
- 4.10 The Directorate recommends option A in that no change is made to the current fee structure. Any reduction in fees risks setting a precedent and this cannot be sustained in the current financial climate.
- 4.11 Options B or C will create a shortfall in funding and additional budget pressure which will be required to be recovered. It is recommended that if option B or C is adopted that all fees for Market Operators are increased to deal with funding pressures. The Directorate will bring forward proposals to do that as part of the 2020/2021 budget process.

5. Next Steps

- 5.1 Council officers will continue to monitor the impact of licence fees across the whole city to maintain an efficient and cost-effective service.

6. Financial impact

- 6.1 The Council's scale of fees for licensing applications was approved with effect from 1 April 2019. The fee levels work on a cost recovery model and, as such, should not be subsidised by other Council budgets.

7. Stakeholder/Community Impact

- 7.1 There is no equalities impact arising from the contents of this report.

7.2 There is no environmental impact arising from the contents of this report.

8. Background reading/external references

8.1 [Review of Fee Structures report](#) to Regulatory Committee on 2 February 2015

8.2 [Revenue Budget report](#) to City of Edinburgh Council on 21 February 2019

8.3 [Request for Fee Reduction – Market Operators Licence – Meadows Festival Association](#) report to Licensing Sub-Committee on 23 April 2019

9. Appendices

9.1 Appendix 1 - Market Operators Licence Application Fees and Charges

9.2 Appendix 2 - Ward 11 City Centre Effective from May 2007

9.3 Appendix 3 - Ward 11 City Centre Effective from May 2017

Valid – 2019/20

LICENCE APPLICATION FEES & CHARGES

Please note that a 20% surcharge is payable for all temporary licence applications submitted within 28 days of the date the licence is due to start.

TYPE	SUB TYPE	FEE £ & DURATION
CIVIC		
MARKET OPERATORS - Including car boot sales within Ward 11 (City Centre)		
The annual fee is only available to markets that operate with a frequency of at least once per calendar month	annual indoor markets	£56 - per stall – 1 year new/renewal
	annual outdoor markets	£84 - per stall – 1 year new/renewal
temporary outdoor markets who operate less than once per calendar month	temporary outdoor markets - subject to a max fee of £5,000	£84 – fee per stall for up to 28 days
	temporary outdoor markets - subject to a max fee of £5,000 inc late application surcharge	£101 – fee per stall for up to 28 days
temporary indoor markets who operate less than once per calendar month	temporary indoor markets - subject to a max fee of £1,000	£56 – fee per stall for up to 28 days
	temporary indoor markets - subject to a max fee of £1,000 inc late application surcharge	£68 – fee per stall for up to 28 days
<i>Note an indoor market is considered to be wholly or substantially contained within a building or other permanent structure. This does not apply to the exterior grounds of a building, any area temporary fenced off or restricted area or any temporary structure i.e. marquee</i>		

MARKET OPERATORS - Including car boot sales out with the City Centre (Ward 11)		
temporary markets are those who operate less than once per calendar month	temporary indoor or outdoor market	£6 – fee per stall for up to 28 days
	temporary indoor or outdoor market - inc late application surcharge	£7 – fee per stall for up to 28 days
The annual fee is only available to markets that operate with a frequency of at least once per calendar month		£14 – fee per stall new / renewal for 1 year
COMMUNITY MARKETS OR REGISTERED CHARITIES - See Note 1		
provided there is no commercial element, i.e. where 100% of the profits is given over to the charity or community group		
	City wide - 20 stalls maximum (thereafter normal fees will apply)	£121 – per week or part of a week (<i>up to a max 7 days per application</i>)
	City wide - 20 stalls maximum (thereafter normal fees will apply) - inc late application surcharge	£144 – per week or part of a week (<i>up to a max 7 days per application</i>)

Note 1: Charitable Organisations

when applying for a temporary licence as a charitable, religious, youth, sporting, community, political or similar organisations qualifying material must be submitted at the time of application and again after the event

Qualifying material to be submitted with an application for a licence includes, but is not restricted to the following;

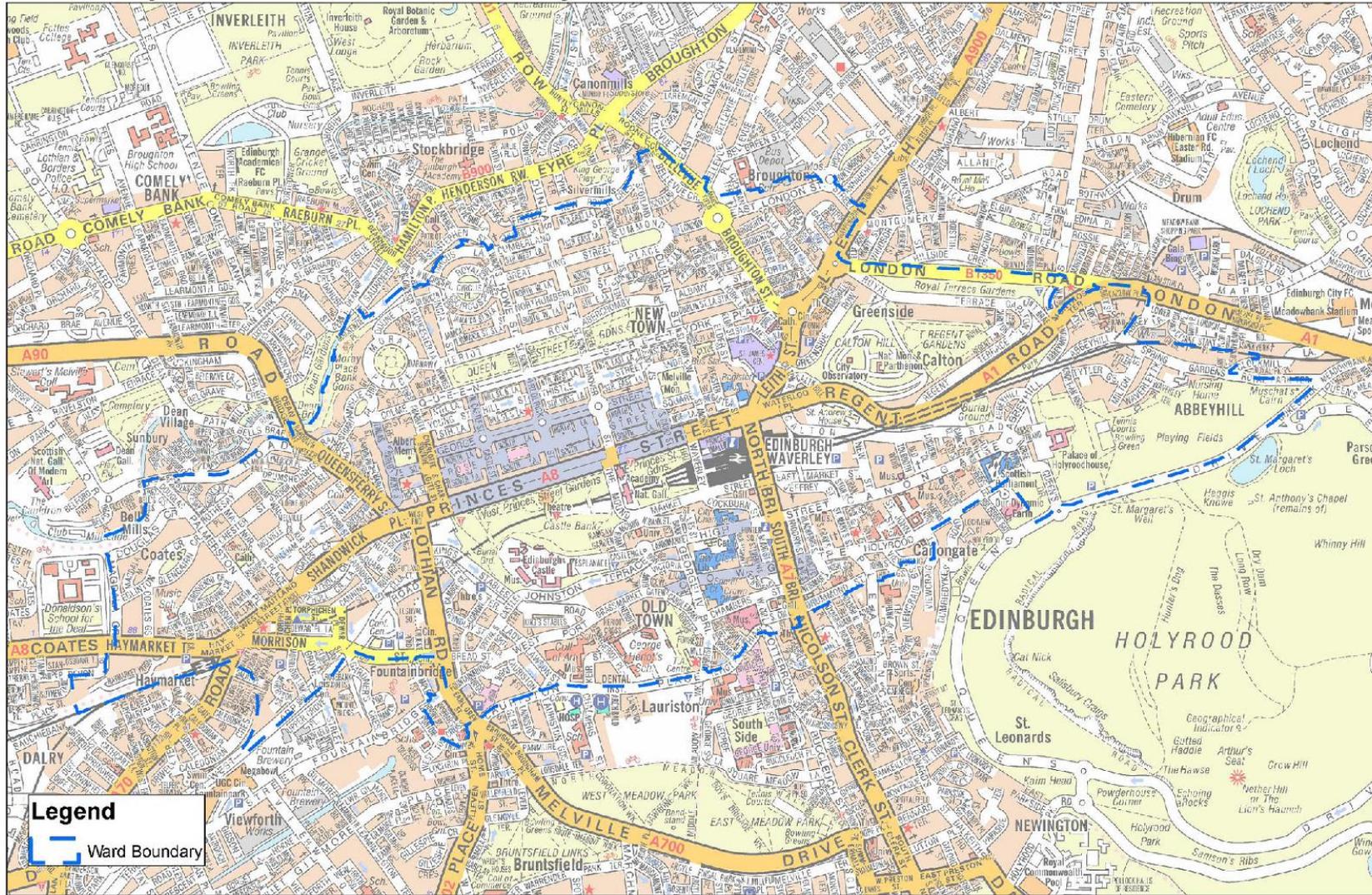
- the organisations charity number (if a registered charity),
- a copy of the organisations constitution/ or a list of the organisations aims and objectives if no constitution exists
- a copy of the organisations last annual audited accounts or a copy of the recent statement of accounts

after the expiry of a licence organisations must provide the following returns;

- statement of account showing monies raised and any expenses incurred

Appendix 2

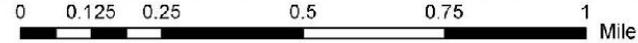
Ward 11 City Centre Ward Effective From May 2007



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Appendix 3 – Ward 11 City Centre Effective from May 2017

