

<b>Title of Report</b>	Fees and Charges Update for Markets, Shop Fronts & Street Trading
<b>For Consideration By</b>	Corporate Committee
<b>Meeting Date</b>	2 June 2026
<b>Classification</b>	Open
<b>Ward(s) Affected</b>	All
<b>Group Director</b>	Rickardo Hyatt, Group Director, Housing, Climate and Economy
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## 1. Introduction

Hackney's markets, shop fronts and street trading offer is one of the borough's most visible economic assets. It supports small businesses, employment, social value, cultural identity and town centre vitality. To remain sustainable, the service must also recover the lawful costs of operating, licensing, managing and enforcing the activity it enables.

This fees and charges review provides the Corporate Committee with an update on the principles, evidence, risks and current position following the 2025/26 review, consultation and implementation activity. It does not seek to set new charges through this report.

The central issue remains balance: fees must be lawful, transparent and cost-based, while the Council must continue to support affordability, trader resilience and inclusive economic growth through mitigation, business support and careful phasing.

## 2. Group Director's introduction

The service operates under a statutory cost-recovery model for London Local Authorities Act 1990 activity and a different charging framework for Food Act 1984 and national pavement licensing activity. It is therefore important that the Corporate Committee considers the review through the lens of legal compliance, financial sustainability, evidence and equalities rather than through a single-market or pitch-rent frame.

The current draft position is that the service is forecasting income of approximately £3.3m and a projected surplus of £60k to £80k for 2025/26. These figures are positive but should not obscure the underlying cost pressures in waste, cleansing, staffing, electricity, infrastructure, engagement and enforcement. Any surplus in the final outturn will be immediately reinvested into the service as per the legislation permits. The service has already provisionally ring-fenced the money for further infrastructure update reads to aging stock such as gazebos , stalls and tables.

### 3. Recommendations

There are no official recommendations contained within this report. It is for informational purposes.

Corporate committee can:

1. Note the update on the 2025/26 fees and charges position and the statutory principles used to set charges.
2. Note and comment on the proposed 2026/27 approach of maintaining an annual evidence-led review, with early Finance, Legal, Equalities and service involvement.
3. Note that this report does not approve new fees and charges and that any future fee changes must follow the relevant statutory, governance (decision making) and consultation requirements.

### 4. Reason(s) for decision

No executive decision is sought. The report is presented for information and comment in accordance with the Corporate Committee work programme.

Fees and charges are a significant assurance matter because they underpin the service financial model, trader affordability, cost recovery, fairness between licence holders, legal compliance and public confidence.

### 5. Background

The service is required to maintain a lawful and sustainable charging framework across different licence regimes. For market and street trading activity under the London Local Authorities Act 1990, fees and charges must be linked to the cost of administering, managing, operating and enforcing the service. The service cannot use LLA 1990 fees as a profit source for the General Fund, and it cannot run persistent deficits that are transferred to general taxpayers.

The 2025/26 review was undertaken after a prolonged period without a full fee review. Hackney public consultation material states that fees and charges had not been reviewed since 2020 and that rising service costs included waste collection, electricity, storage, licensing administration and compliance. It also set out proposed annual adjustments linked to North London Waste Authority charges and CPI, plus payment modernisation and retention of affordable temporary pitches, youth trader schemes and hardship support.

### Current financial snapshot

Measure	Position	Comment
Total income	YTD £2.8m; full-year forecast £3.3m	Draft performance source, subject to Finance validation.
Performance against budget estimate	Forecast £370k above budget estimate	Driven by sustained trading, shop front activity and grant contribution timing.
Projected surplus	£60k to £80k	Any surplus from cost-recovery activity must be treated in line with statutory restrictions and reinvestment principles.
Market trader arrears	£32.5k at March 2026 , Arrears	Down £8.6k, approximately 21%, compared with March 2025.

Measure	Position	Comment
Shop front arrears	£743.58 at March 2026	Low absolute level, no debt over six months in the source deck.

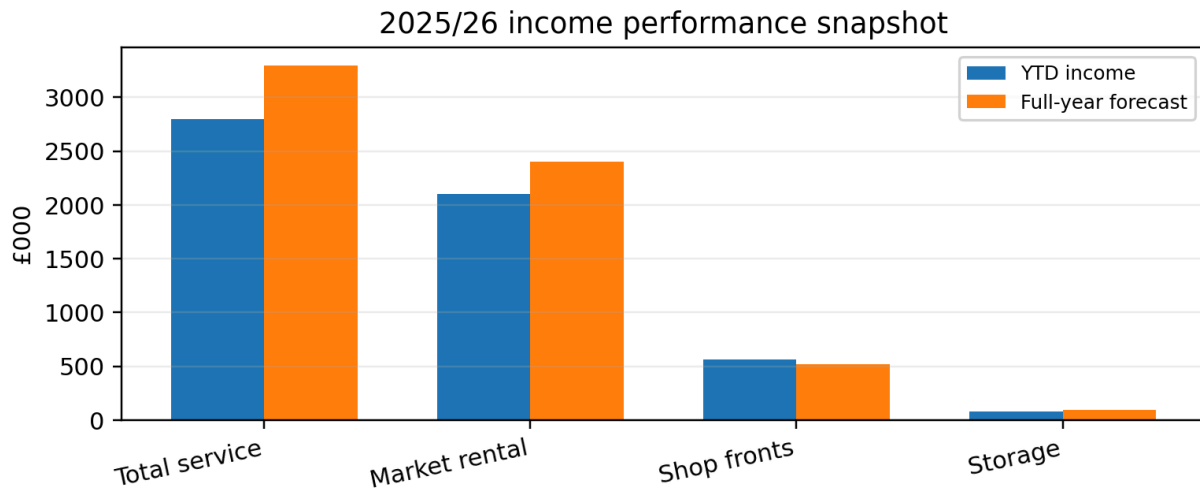


Figure 1: Draft 2025/26 income performance snapshot. Figures are in £000 and must be reconciled with final outturn before publication.

### Cost pressures informing the fee review

The scrutiny briefing and consultation material identify the main cost pressures as waste and cleansing, electricity, infrastructure, storage, staffing, enforcement, licensing administration, event support and trader support. The source briefing states that waste and cleansing recharges rose from approximately £667k to an initial model of approximately £1.325m before being reduced to approximately £926k after review and absorption of some overheads. It also identifies an electricity cost increase of approximately £154k and infrastructure/premises cost movement from £82k to approximately £132k.

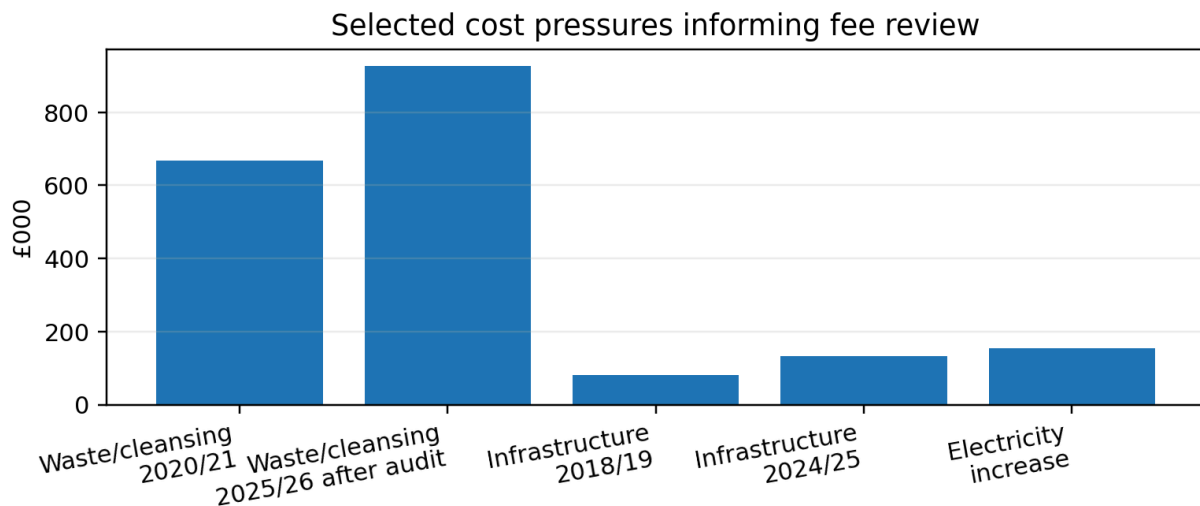


Figure 2: Selected cost pressures drawn from the 2025/26 fee review evidence base. Values are rounded and should be treated as draft until Finance confirms the final outturn.

## Fee-setting principles

Principle	Application in Hackney
Legal compliance	Charges must be set under the correct legal power for the licence type. LLA 1990 activity must follow cost-recovery principles.
Transparency	Licenceable to understand holders should be what costs are being recovered and why charges differ by site, commodity, duration or operational burden.
Fairness between licence holders	Higher-cost activities, particularly food, fruit and vegetable trading with significant waste and cleansing demands, should make a proportionate contribution to those costs.
Affordability and mitigation	The fee model should be paired with temporary pitches, youth trading, hardship pathways, phased payment reform and business support.
No inappropriate subsidy	Long-term subsidy from the General Fund risks transferring the cost of trading activity to residents who may not benefit from or use the service.
Reinvestment	Any residual balance from restricted cost-recovery activity should be managed transparently and reinvested into the service, infrastructure, compliance or trader support.
Annual review	Fees should be reviewed annually against verified cost drivers, CPI, waste charges, occupancy, arrears and equalities evidence.

## Distinction between fee regimes

It is important that the Committee does not treat all charges as the same. Street trading, market trading and shop front licensing under the London Local Authorities Act 1990 are subject to cost-recovery constraints. Private market operator activity under the Food Act 1984 and some commercial activity may sit under a different financial and legal framework. Pavement licence fees under the Business and Planning Act 2020 as amended by the Levelling-up and Regeneration Act 2023 are nationally capped at £500 for first-time applications and £350 for renewals.

The practical consequence is that officers must maintain separate accounting, policy and decision trails by licence type. A charge that is lawful and appropriate under one regime may not be lawful or appropriate under another.

## 2025/26 implementation and engagement

The April 2026 leadership deck records that new fees and charges were published in the Hackney Gazette on 26 February 2026, shown through digital display between 23 and 27 February 2026, published on the Council website on 17 February 2026 and emailed to all licence holders on 25 February 2026.

The public consultation material states that the consultation ran from 4 September to 15 October 2025 and invited responses through an online survey, in-person drop-ins, online sessions, paper copies and translation requests. The scrutiny briefing also records an earlier first-stage

consultation in November/December 2024 and a second statutory period in September/October 2025.

### Strategic Policy Context

The fees and charges review supports the Council financial strategy, Markets Strategy 2024-2029, inclusive economic growth objectives, high street and town centre vitality, climate and waste responsibilities, public realm safety and trader support. It also protects regulatory confidence by ensuring the service has capacity to administer licences, respond to complaints, enforce conditions and maintain safe trading environments.

### Options appraisal

Option	Description	Assessment
Option A - Freeze or reduce fees	Maintain lower charges irrespective of cost increases.	Not recommended. Creates legal, budget and fairness risk unless a lawful funding source and statutory basis are identified.
Option B - Continue evidence-led annual review	Review fees annually against verified costs, occupancy, arrears, waste, CPI, equalities and trader impact.	Recommended. Provides legal discipline, transparency and better forward planning.
Option C - Full remodelling of the charging structure	Zero-base all fees and charges again, including commodity, site, duration and administrative charges.	Potentially useful for 2027/28 but resource intensive. Should follow the 2025/26 implementation review and final outturn.
Option D - Move faster to real-time payment	Reduce arrears by requiring earlier payment for trading activity.	Useful for debt control but should be phased with hardship safeguards and operational readiness.

### Equality, inclusion, diversity and belonging

Fee increases can affect micro-businesses, sole traders, start-ups, family businesses and traders from communities already facing economic pressure. The lawful mitigation is not to set differential fees by protected characteristic, but to provide targeted support, accessible communications, hardship pathways, phased implementation, temporary and youth trading options, business support and practical help with digital readiness, payments and promotion.

The final review should continue to monitor impacts on traders at Ridley Road, Broadway, Hoxton and other locations with high representation of small and Global Majority businesses. Equality analysis should be updated whenever material fee, payment or enforcement changes are proposed.

## Sustainability and climate change

A fair fee model should make the cost of waste, cleansing and public realm management visible. This supports waste reduction, responsible trading and investment in cleaner, safer and more sustainable markets. The consultation material specifically identifies higher waste costs for food and fruit/vegetable categories and the need to link annual adjustments to waste charges.

## Consultation/engagement

Future fee reviews should retain early engagement with traders and associations, clear plain-English explanations of cost drivers, accessible formats, translated material where needed, publication of cost methodology, drop-in sessions and explicit feedback loops. The review should separate statutory consultation requirements from wider engagement so that the legal process remains clear.

## Risk assessment

Risk	Impact	Mitigation
Under-recovery of costs	Pressure on General Fund and breach of cost-recovery legislative requirements	Bi Annual review, verified cost model and transparent allocation.
Trader affordability	Arrears, hardship or reduced occupancy.	Phasing, hardship pathways, business support and monitoring.
Poor data quality	Weakens consultation and Committee assurance.	Final outturn validation and correction of source data anomalies.
Single-site narrative dominates	Borough-wide cost base misunderstood.	Clear explanation of 11 markets, 60+ ST sites, 500 SF Sites and 2,000+ activations.
National pavement licence caps	Administrative costs may exceed recoverable fees.	Efficiency review, digital workflow and escalation of unfunded burdens where appropriate.

## 6. Financial implications

This is an information and comment report. No new decision to incur expenditure or amend fees is sought through this paper. Any future decision requiring expenditure, fee changes, procurement, consultation or staffing change will require the relevant delegated or Cabinet authority and formal Finance comments before publication.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by: John Holden, Assistant Director of Finance - Sustainability, Public Realm and Special Projects [John.Holden@hackney.gov.uk](mailto:John.Holden@hackney.gov.uk)

## 7. VAT implications on land and property transactions

Not applicable to this information and comment report. No land or property transaction is proposed. Any future land or property transaction, licence structure, lease arrangement or concession arrangement will need separate VAT review.

VAT Implications prepared on behalf of the Group Director Finance & Corporate Resources by: John Holden, Assistant Director of Finance - Sustainability, Public Realm and Special Projects [John.Holden@hackney.gov.uk](mailto:John.Holden@hackney.gov.uk)

## 8. HR/OD implications

There are no direct HR/OD implications arising from this report. The report notes operational pressures and the need to maintain sufficient capacity across licensing, market operations, public realm management, engagement, compliance and business support. Any future restructure or staffing proposal will require separate HR/OD advice, consultation and decision-making.

HR/OD implications prepared on behalf of the Director of HR/OD by: Steve Swain Strategic HR OD Business Partner. [steve.Swain@hackney.gov.uk](mailto:steve.Swain@hackney.gov.uk)

## 9. Legal implications

The legal framework referenced in this report includes the London Local Authorities Act 1990 as amended, the Food Act 1984, the Highways Act 1980, the Business and Planning Act 2020 as amended, the Levelling-up and Regeneration Act 2023, the Equality Act 2010 and related public law duties. There are no official recommendations within this report, and no further legal implications arising from this report.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Josephine Sterakides - Senior Lawyer-Litigation and Public Realm [Josephine.Sterakides@hackney.gov.uk](mailto:Josephine.Sterakides@hackney.gov.uk)

## 10. Appendices can be provided on request

Appendix	Title
Appendix 1	Markets & Street Trading Fees & Charges 2025/26
Appendix 2	Shop Fronts & Pavement Licensing Fees & Charges 2025/26

Appendix	Title
Appendix 3	Cabinet Report Markets, Shop Fronts & Street Trading Services Fees & Charges Proposals 2025/26
Appendix 4	2024/25 First Consultation Report Responses
Appendix 5	2025/26 Second Consultation Report Responses
Appendix 6	Markets, Shop Fronts & Street Trading Fees & Costs Breakdown Benchmarking 2024/25

**11. Reason(s) for exemption**

None.

**12. Background documents**

None