



**ANNUAL PERFORMANCE REPORT OF SHOP FRONTS LICENSING AND ENFORCEMENT**

**CORPORATE COMMITTEE  
MEETING DATES 2018/19**

**10<sup>th</sup> October 2018**

**CLASSIFICATION:**

**Open**

**WARD(S) AFFECTED**

**All**

**GROUP DIRECTOR**

**Kim Wright, Neighbourhoods and Housing**

## **1. INTRODUCTION AND PURPOSE**

- 1.1 This report sets out the year to date performance of the shop fronts service, specifically focusing on the enforcement aspect of tables and chairs within the borough for the period 1<sup>st</sup> April-30<sup>th</sup> September 2018.
- 1.2 The Corporate Committee has requested a report on how the Council licences and enforces its shop fronts trading within Hackney.
- 1.3 A shop front licence is the specific licence businesses need to trade goods and services outside their shop, including everything from fruit and vegetables outside convenience stores, to tables and chairs outside local cafes, bars and restaurants.
- 1.4 The licensee may only sell goods that the shop is legally registered to sell (excluding alcohol, tobacco and tobacco products and refreshments).
- 1.5 Temporary and permanent shop front licence applications are available, however permanent shop front applications are only available for licenced streets. You have to hold a temporary licence for six months before you can apply for a permanent licence.
- 1.6 All applications to become a permanent licence holder are decided by an Officers Licencing Panel (OLP) which consists of the Markets and Street Trading Manager and the Head of Service currently, who meet on a monthly basis. The applicant must meet a set criteria for the OLP to sign off on a permanent licence.
- 1.7 This licensing and enforcement process is managed by the Markets and street trading service and the shop front licence is a service that helps stimulate the local economy, drive employment and attract footfall into the borough.
- 1.8 Shop front trading within Hackney is growing significantly on last year and in line with the growth we are seeing double digit growth across our markets and street trading operation with the shop fronts aspect of the service delivering an increase of 18% year on year growth in 2018.

1.9 The table below highlights the growth in Live Licences and new applications since April 2018:

	2018	2017	Overall +/-
<b>Live</b>			
Perm SHF	98	89	10%
Temp SHF	121	103	18%
<b>New</b>			
Perm SHF	17	13	31%
Temp SHF	69	54	28%
<b>Overall YTD</b>			
Perm SHF	115	102	13%
Temp SHF	190	157	21%
<b>Overall</b>	<b>305</b>	<b>259</b>	<b>18%</b>

\*Tables & Chairs is the highest volume of shop front licences we issue across Hackney, accounting for over 60% of our total Shop front trading sites. This is also the main area for complaints and enforcement action required.

## 2. RECOMMENDATION(S)

**The Corporate Committee is recommended to:**

2.1 **Note the content of this report and level and the scope of work being carried out in relation to Shop Fronts Licensing and Enforcement.**

## 3. REASONS FOR DECISION

3.1 This report which is for noting, adheres to the requirement previously agreed by Corporate Committee to report annually on the Shop Fronts Licensing and Enforcement.

## 4. BACKGROUND

4.1 In April 2018 the service invested £12,500 in a new Licensing system for shop fronts. This system enables Inspectors to access shop front records on the go and they have been equipped with iPads to complete shop front application visits on site in real time.

### 4.2 Policy Context

#### LICENSING AND ENFORCEMENT

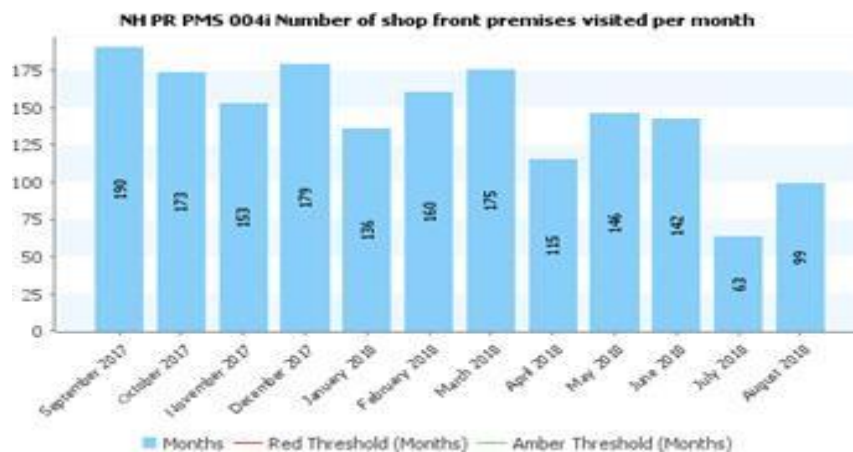
4.2.1 When an application for a shop front licence arrives it is allocated to an Inspector to complete and on site visit and assessment of the application. The officer will arrange with the proprietor to attend and complete the assessment.

The new system also includes the facility for the inspecting Officer to now add a drawing for the dimensions of the shop front directly to the account of the applicant, by April 2019 this dimension drawing will not only appear on the account but will also appear on the licence itself, making it significantly easier for any enforcement service to highlight a breach of licencing conditions, thus creating a consistent joined up approach to enforcement.

4.2.2 Once licensed all shop front licensees are required to display their licence within the window of their business, ensuring it is visible at all times. Failure to do so is a contravention of the terms and conditions of their licence. Initially we revisit a new licensee twice within the first month of trading and at least once a month thereafter unless we receive a complaint or intelligence to suggest non-compliance or breaches of the terms and conditions of their licence.

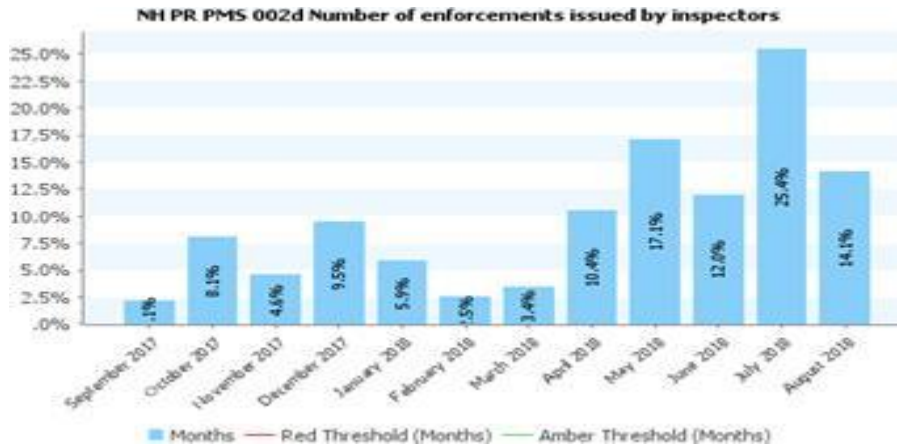
4.2.3 The Inspectors currently complete on average 175 visits per month. These visits will be for the below reasons:

- Complaints
- Debtors
- Licence Measurements
- Routine inspections
- Revisits
- Enforcement Action
- Illegal Trading



4.2.4 The current approach in dealing with any shop front licence breaches or complaints involves case management techniques and when identified proactive deployment against persistent offending premises or the persons responsible for causing the non-compliance. This has resulted in year on year increase enforcement visits and action taken on licence breaches or complaints by 20% in 2018.

4.2.5 The below graph highlights the increase of enforcement visits in 2018:



4.2.6 This increase was expected and is proportionate to the number of historic or legacy enforcement issues with non-complaint businesses that are trading without a licence within the Borough and these premises include:

- Nature , 219 Stoke Newington High Street, N16
- Clapton Pound Plus, 122 Upper Clapton Rd, E5
- Coldcom, 136 Upper Clapton Rd, E5
- Household Furniture , 132 Upper Clapton Rd
- By The Bridge Café, 283 Kingsland Rd, E5
- L and G Disposables, 2-3 Market Parade, Oldhill Street, N16

Five out of the six listed premises are in the process of being prosecuted for persistent trading without a valid Shop front licence.

4.2.7 The current approach taken as part of the implementation of a clear and robust disciplinary process as of April 1<sup>st</sup> 2018 which consists of:

- Verbal Warning
- Written Warning and FPN issued
- Final Written warning and FPN issued
- Revocation of licence and / or prosecution
- Right of Appeal via the Head of Service

4.2.8 The Shop Fronts Officers are specialists in this field and are separate from the Market Inspector resource pool. However they are currently reliant on crossover and co-working between teams within Transport for London (TFL) and the Enforcement Team to carry out enforcement action across the service. This is very resource heavy workloads and are reliant on the availability of enforcement officers to discharge these duties on our behalf, following the removal of the delegated powers in a restructure in 2013.

4.2.9 A resolution to this issue would be to provide the markets and shop fronts service officers with the delegated powers to enforce across our markets, shop fronts and street trading sites. This will further enhance the services

ability to effectively manage and deliver an end to end process and support our colleagues within the enforcement services without drawing on their resources.

## **RED ROUTES ENFORCEMENT**

4.2.10 Red routes are managed and enforced by TFL who have a dedicated enforcement team for Shop Fronts. However they are currently significantly understaffed and we have seen a sharp decline in visits and enforcement action on the red routes in Hackney since the end of 2017.

4.2.11 In February 2018 Officers met with TFL to discuss these concerns and an agreement was reached for the markets service and TFL entered into a collaborative approach to enforcing on Shop Front violations across the borough of Hackney. This further enhanced our ability to police and enforce the compliance to the shop front terms and conditions and build a better working relationship with TFL.

4.2.12 Both teams now meet on a quarterly basis to review case load and collaborative enforcement actions and carry out regular joint enforcement operations.

4.2.13 TFL are currently resourced and engaged in large recruitment drive but at present only have two Officers and a manager dedicated to red route enforcement across Hackney and Tower Hamlets.

4.1.14 If we are to continue with the current enforcement across sites that sit within Hackney and TFL jurisdiction then the power to enforce this will need to be delegated to us from TFL and staffing transferred from TFL or capital provided to ensure the correct volume of officers are tasked to manage and enforce accordingly.

## **4.2 Equality Impact Assessment**

N/A

## **4.3 Sustainability**

4.3.1 Developments of the Shop Fronts Service will continue over the next 12 months and we will be introducing a number of changes that will see a change in how we operate and enforce our shop fronts service.

4.3.2 In November 2018 consultation will commence on our Shop Fronts fees and Charges where we will change the current fees and charges from a banding system to a pay by Square metre system. This will help support the local business and economy by reducing fees for smaller business and ensuring costs of shop front trading are more proportionate to the size of space that is being used to trade from.

4.3.3 At the same time as the consulting on fees and charges we will also be consulting on a specific shop front terms and conditions document. Currently shop fronts licensees are issued with the street trading terms and conditions and the tables and chairs terms and conditions and are licensed according to these terms and conditions.

4.3.4 The new Terms and Conditions will consist of:

- **Oversaturation Policy** as we currently do not legislate for oversaturation of specific commodities trading form shop fronts like we do in markets which is leading to overpopulation of the same commodities on the same highstreets and not offering value for money or variety for the public.
- **Mobile Kiosk Policy** as these kiosks are popping up across the borough and are becoming a hotspot for illegal activity and crime.
- **A Board Policy** restating the borough wide A board policy to be brought in line with TFLs zero tolerance approach of enforcement.
- **Tables and Chairs**, Update the current policy document to ensure it adds more clarity and in line with current legislation document as the last changes to this were made in 2008.

4.3.5 Shop Fronts specific job descriptions will be introduced for Shop Fronts Officers who currently work under market inspectors job descriptions with minimal aspects included for such a specialised role. An additional two FTE inclusive of a Team Leader to manage a total of three Officers within the shop fronts aspect of the markets service to deliver more effective management and enforcement across a significant growth area of the service.

#### 4.4 Consultations

N/A

#### 4.5 Risk Assessment

N/A

### 5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

There are no direct financial implications emanating from the recommendations in the report.

### 6. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

There are no immediate legal implications arising from this report.

## APPENDICES

Appendix 1 is a copy of the current Street Trading Shop Front Trading and Tables and Chairs Regulations

## BACKGROUND PAPERS

None

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