

Street
Trading
and
Allocation
policy

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The policy broadly seeks to provide a framework within which street trading may be or may not be allowed and how allocation for piece of land or premises for trading shall be conducted

Final draft

1. Introduction

The aim and objective of the Street Trading and Allocation's policy is to support growth of street traders, opportunities for new entrants, in an economically sustainable and socially beneficial way. It can be a powerful tool for job creation, and for the inclusion of the people who were excluded from such economic activity in the past. It will be implemented in a way that will create linkages between experienced and inexperienced operators.

Objective

The policy also seeks to regulate the manner in which informal trading is going in relation to the overall organisation of the towns.

2. Principles

- 2.1. In Council managed, defined site, and restricted trading area, a cut-off date to legalize all traders in that area will be applied. Thereafter any one who illegally trades after the cut-off date will be removed and the department will report monthly to Council with regard to legalization to traders.
- 2.2. Only people at the entry level of business will be allowed.
- 2.3. Council will promote progression of traders to more valuable sites and infrastructure depending on availability, and ultimately into informal markets by providing a range of opportunities to develop people and their businesses over a limited period (incubation) after which if the trader needs to utilise the same site, he/she would have re-apply for it. The Department will prepare an agreement for trading on Council property, in order for traders to sign the same when allocation of site is undertaken between the Council and the traders.
- 2.4. Application for the transfer of sites within / household family (next of kin) in a case where the owner is in critical condition, ill, death, or disability will be forwarded to Council for consideration. (This will be

viewed on a case by case)

- 2.5. Review the history of the area to find -out if there are some implications in terms of allocations which should be weighted differently from the normal agreed upon criteria or if the traditional criteria should applied.
- 2.6. First preference will be given to women, young people (18-35 years) and physically disabled people, as well as to South African Citizens.
- 2.7. There must be parking charges so as to regulate parking in the CBD and loading zones be designated (parking to be regulated at Social Development)
- 2.8. The policy shall not supersede any legislation from the other spheres of government particularly the constitution of the Republic

3. Preconditions

- 3.1. Commitment to pay for stall/site rentals
- 3.2. One site per trader per household
- 3.3. No other business shall be owned
- 3.4. No formal employment
- 3.5. Comply with legislation and by-laws
- 3.6. Product to be sold will have to be in line with the specific character of the area, but Council will aim to promote potential economic / market trends within the area.
- 3.7. The allocated site/stall will also be informed and depend on the general land use permissibility of the area (LUMS and SDF)
- 3.8. Goods that are subject to health authorities' approval shall only be allowed if there is a confirmation or licence issued by the relevant department.

- 3.9. Trading on mobile units like caravans shall be subject to Road Traffic Act
- 3.10 All illegal goods like drugs, alcohol and any substance that is prohibited for public trade by any legislation by either local government; Provincial government or National government, shall not be allowed to be traded on the streets.
- 3.11. Failure to comply with any principle, provision or requirement may result in the licence that is issued in terms of the policy to be revoked or invalidated.

4. Criteria

The Ingquza Hill Municipality in allocating sites will attempt to achieve the following targets.

4.1. Target (Scope and applicability)

- 4.1.1. Council will use the allocation of sites to address the lack of economic opportunities to previously disadvantaged communities, particularly those that are at the low end of the business sector or are either categorised as informal traders.
- 4.1.2. In allocating sites women and young people and those who are physically challenged as defined by national legislation will be given preference.
- 4.1.3. Legal foreigners with work permit will be allowed to trade provided they meet the agreed criteria.
- 4.1.4. Preference will be to co-operatives which are credited and registered with Council's relevant Department.
- 4.1.5. Council will also target the transport operators in both towns in terms of parking that is not regulated and unstructured.
- 4.1.6. Formal businesses which trade outside the legal and formal premises and those that encroach the site boundaries for the

purpose of trading in completion with informal traders.

4.1.7. Property owners who often rent out/lease property for business and are affected by street trading and informal market.

4.1.8. Council will prefer to work with an organised Hawkers/informal traders' association/organisation

5. Points

The scoring of points will be done in such a way that targets are met.

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| 5.1. Anyone who has been trading before 1990 | = | 1 |
| 5.2. Anyone disenfranchised before 2000 | = | 2 |
| 5.3. Accredited co-operatives since more than one person will benefit from the site | = | 3 |
| 5.4. Value added product and skill | = | 1 |
| 5.5. Value added products manufactured at the site, or by a co-operative of which an applicant is a member of | = | 1 |
| 5.6. Local applying (Flagstaff or Lusikisiki) for a local site | = | 1 |
| 5.7. Any applicant who is a resident in the Ingquza Hill | = | 1 |

6. Process

- 6.1. A circular on vacant site or sites will be issued to Councillors to advise them about sites available.
- 6.2. Any site that becomes vacant will be advertised to the locals where the site is situated. The municipal sites will be advertised in the whole municipality.

- 6.3. There will be no waiting list. Those who are already in the waiting list will be informed to reapply if there is a site to be allocated.
- 6.4. Where points are equal, a pool draw system will be used to allocate a site.
- 6.5. Existing traders can apply for another site. If the applicant gets the new site, she or he will have to leave the original site.
- 6.6. The administration will issue quarterly reports to Councillors on sites allocation.”
- 6.7. Application for sites shall be submitted to the Strategic and Development Planning department on a prescribed form or in the absence of a form written applications shall be adequate.
- 6.8. Only council or Exco shall approve/reject applications.
- 6.9. The standing committee on strategic and Development Planning shall make recommendations and not approvals of applications based on the management report to the committee.
- 6.10. Payments of rentals will only be made to the Budget and Treasury department once there is a council resolution and a letter/contract between the municipality and the trader has been signed.

7. Permissible and Non-permissible structures

- 7.1. Only structures approved by the municipality shall be allowed to be erected on any council or privately owned site.
- 7.2. Permanent structures shall only be allowed on designated areas
- 7.3. Semi-permanent structures like tables and any other related structure that is used for trading shall be allowed once it has been approved by council in terms of Building regulations.
- 7.4. Caravans will only be allowed if they conform and comply with the Road Traffic Act and any related regulations and municipal bylaws.

- 7.5. All caravans and semi-permanent structures shall be removed by the operator at the end of business every day; failure to remove them would render them to be viewed as abandoned and may be impounded and be released at a fee to the operator.
- 7.6. Caravans and other semi-permanent structures shall also be allocated defined and marked areas that they shall use for trading
- 7.7. Street containers or any other container, shall not be permitted on the side walks or on road reserve nor any public open space that is not designated for the use of informal trading.
- 7.8. Any structure that has encroached the boundaries of a formal trading site/building shall not be allowed as it will be treated as an extension in terms of the Building regulations and formal businesses shall be liable for a fine if that is observed.

8. Payment of lease rentals

- 8.1. An amount of minimum R 100.00 - R250.00 shall be levied on approval of application for each applicant depending on turn over and size of the business and type of business
- 8.2. An application of organisations or cooperatives shall be treated as an application of an individual as a legal person.
- 8.3. The application fee that is levied on approval of the application is an annual fee which will be reviewed annually by council
- 8.4. There shall be a monthly rental from all the approved applications which is payable during the first seven (7) calendar days of the month with due regard to the municipal operating times.
- 8.5. The monthly rental fee shall be levied at a minimum R 20.00 - R 50.00 which shall be reviewed at the end of each financial year, depending on the turn over and type of the business.
- 8.6. It is the responsibility of the applicant to pay the rental fee to the

Municipality at the Budget and Treasury office/tellers at the prescribed dates and amount.

9. Monitoring and Evaluation

- 9.1. The Municipality shall facilitate a formation of the Local Economic Development (LED) forum that shall be used as a platform to discuss issues of common interest amongst all stakeholders including the Municipality and the informal traders' organisation.
- 9.2. The Municipal management shall submit reports to the standing Committee before they are considered by Council.
- 9.3. The LED officer shall conduct site inspections on a monthly basis and report to management
- 9.3. A log sheet shall be filled jointly by the LED officer and the informal trader who operates on a given site.

10. Termination

- 10.1. Contravention of any policy provision on this policy will revoke the agreement between the Municipality and the trader.
- 10.2. Non-payment of either application or monthly fee shall render the agreement invalid
- 10.3. If an applicant submits an application to terminate the agreement
- 10.4. If the Municipality wishes to terminate the agreement, she shall do so in writing and give a months' notice
- 10.5. If the parties in the agreement decide to summarily terminate the agreement mutually
- 10.6. If the agreed time for the contract period has expired