

Committee(s):	Date(s):	
Licensing	14 January 2013	
Subject: Late Night Levy Consultation Proposals	Public	
Report of: Director Markets and Consumer Protection	For Decision	
<p><u>Summary</u></p> <p>The Police Reform and Social Responsibility Act 2011 has introduced the power for licensing authorities to impose a late night levy in the City. Within the legislation there is a proposal to consult on various matters relating to a proposed levy prior to its introduction.</p> <p>This report expands on an introductory report put before this committee on 22 October 2012 now that regulations have been introduced. The report seeks agreement from Members to consult on the proposal to introduce a late night levy and outlines the proposed areas for consultation and those persons it is felt should be included as consultees.</p> <p>Recommendations</p> <p>That Members,</p> <ul style="list-style-type: none"> • agree the areas which should be consulted upon (set out in paragraphs 10-15) ; • agree the list of consultees (in paragraphs 7 and 8). 		

Main Report

Background

1. The Police Reform and Social Responsibility Act 2011 (PRSRA) has introduced the power for licensing authorities to impose a late night levy (the levy) on the whole of their area. The Late Night Levy (Application and Administration) Regulations 2012 were published in October 2012 and specifies the levy bands, how a local authority must spend its proportion of the late night levy payments and other administrative functions. The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012 were also published in October 2012 and define circumstances where the levy can either be reduced or exempted.
2. The levy enables licensing authorities to raise a contribution from late-opening alcohol suppliers towards policing the night-time economy. It will be a local power that licensing authorities can choose whether or not to exercise. It must cover the whole of the licensing authority's area.

However, the licensing authority can also choose the period during which the levy applies every night, between midnight and 6am, and decide what exemptions and reductions should apply from the above regulations.

3. The aim of the levy is to empower local areas to charge businesses that supply alcohol late into the night for the extra enforcement costs that the night-time economy generates for police and licensing authorities. The rationale behind this is that the Government in The Coalition Agreement included the commitment to permit local councils to charge more for late night licences to pay for additional policing. The Government consider it right that businesses which profit by selling alcohol in the night-time economy should contribute towards these costs, rather than relying on other taxpayers in the community to bear the full costs.
4. If a licensing authority chooses to introduce the levy in their area, all licensed premises which are authorised to supply alcohol in the levy period will be affected unless exempted. Premises that do not wish to operate in the levy period will be able to make a free minor variation to their licence before the levy is introduced to alter their hours so as to avoid the levy.
5. The City Police has to receive at least 70% of the net levy revenue (the 'specified proportion'), the precise proportion to be decided by the licensing authority. The net levy being the amount raised through levy payments less deductions by the local authority for such items as the collection of payments, procedure for the implementation of the levy, publication of its statutory statement and its application of its proportion of the levy revenue (the 'non-specified proportion').
6. The licensing authority must apply the non-specified proportion of the net amount of levy payments to arrangements for:
 - a. The reduction or prevention of crime and disorder
 - b. The promotion of public safety
 - c. The reduction or prevention of public nuisance
 - d. The cleaning of any relevant highway or relevant land in its area

Consultation

7. The licensing authority must consult the following prior to the introduction of a late night levy and any decision relating to the permitted exemption or reduction categories, the size of the specified proportion, and the period which is to apply to the levy;
 - a. The City of London Police,
 - b. The City of London Commissioner of Police, and

- c. Holders of relevant late night authorisations
8. The licensing authority will also place the consultation document on its website and circulate directly to the following;
 - a. All Alderman and Common Councilmen;
 - b. Minimum of six local residents or resident groups who have shown an interest in licensing matters previously
 - c. Adjacent local authorities
9. In addition to consulting on whether or not the City Corporation should introduce a levy the consultation will cover the areas set out in paragraphs 10-15 below. Each of the areas will suggest a default position, and offer consultees the opportunity of supporting that position or electing alternative options.
10. **Date of Commencement** – It will be suggested that the introduction of a late night levy will commence on 1 October 2013. Alternative options will be either 1 January 2014 or 1 April 2014.
11. **The Supply Period** – It will be suggested that the levy will apply to all premises that has a licence to sell alcohol between the hours of 01:00 and 06:00 in line with the suggestion from the City of London Police. An indication of the amount that this could raise is given in Appendix 1. Consultees will be asked to suggest their preferred option for the commencement of the supply period in hourly intervals from 00:00. There will also be an option for consultees to suggest changes to the supply period where they feel it should constitute a non-standard period e.g. between 02:30 and 04:00.
12. **Exemption categories** – Regulations state that certain categories of premises can be exempted from paying a levy. These are:
 - a. Premises with overnight accommodation
 - b. Theatres and cinemas
 - c. Bingo halls
 - d. Community Amateur Sports Clubs
 - e. Community premises
 - f. Country village pubs
 - g. Business Improvement Districts
 - h. Premises authorised to sell alcohol between 00:00 and 06:00 on 1st January every year (but not between those times on any other day of the year).

A list of the above options will be supplied to consultees with an option to select any they feel should apply.

13. **Reduction categories** – Regulations state that certain categories shall apply for the reduction of the levy. These categories include premises which are members of best practice schemes established for the purpose of reducing crime and disorder and which require active participation by their members and premises which are entitled to small business rate relief.

It will be suggested to consultees that the rate of reduction shall be linked to compliance with the City Corporation's Code of Practice/risk assessment scheme whereby any premises remaining within the Green (best) category throughout a particular year will be eligible for a reduction of 30% from the levy payment. Consultees will be have the option of selecting other reduction categories for premises entitled to small business rate relief and a reduced percentage reduction if the premises 'stray' into the amber category.

Consultees will also have the option to suggest any other combination of percentage relief and category of risk.

14. **Percentage of specified proportion to Police** – It will be suggested that 70% of the net levy revenue be paid to the Police and used for the following purposes:

- a. To cover the costs associated with licensing hearings, advice and objections to TEN's etc, which is estimated as being between £20,000 and £30,000 per annum.
- b. To fund two additional officers to run an effective enforcement team within the Police Licensing department. This would be in addition to the staff already employed and used for actively targeting the top twenty identified premises.
- c. To fund an additional post within the Metropolitan Clubs Focus Desk, to fill a post currently filled by an officer on temporary attachment. This post is pivotal in the identifying of problem promoters and premises. The post provides extensive background knowledge and intelligence on any promoted events within the City of London.
- d. To fund covert operations to detect offences and as a consequence supply high-grade evidence of licensing offences allowing early intervention.
- e. To fund an additional permanent post within the existing Police Licensing Team to cover annual leave and sickness etc.
- f. To fund Police Community Support Officers to work after midnight until 06:00, Thursday to Saturday, allowing them to patrol areas identified as "hotspots" for Anti-Social Behaviour and

issue fixed penalty notices for urination and littering particularly in areas around licensed premises. These would also be utilised to cover rough sleepers.

Consultees will be given the option of stating how they think this money should be spent and/or whether they agree with the Police proposals.

15. In addition to the above statutory areas that require consultation consultees will be given the option of commenting on how the non-specified proportion i.e. that retained by the local authority, will be spent.

It will be suggested that the non-specified proportion will be spent on the appointment of an additional licensing officer to administer the Code of Practice/risk assessment scheme and to increase the percentage of time spent by the licensing service on ensuring licensed premises adhere to legislative requirements particularly where they have a direct effect on crime and disorder.

Proposals

16. It is proposed that subject to agreement by this committee a consultation document will be drawn up and sent to the list of consultees. The consultation will run from 1 March to 31 May 2012. At the conclusion of the consultation period a further report will be submitted to Grand Committee with the results of the consultation. It is at this stage that Members will have to make a decision as to whether or not to introduce a levy and if so when and how. The final decision will have to be agreed by Court of Common Council.

Corporate & Strategic Implications

17. The possible use of the levy encompasses two key policies in the Corporate Plan 2012 -2016; KPP1 'Supporting and promoting the international and domestic finance and domestic business sector' and KPP2 'seeking to maintain the quality of our public services whilst reducing our expenditure and improving our efficiency'. The consideration of use of the levy also fits with one of the City Corporation's three strategic aims 'to provide modern, efficient and high quality services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes'.

Implications

18. Legislation dictates how a levy is to be introduced, requirements for consultation and notices to be displayed at the appropriate time. Thereafter, on an annual basis, a licensing authority must publish before

the beginning of the year a statement of its estimate of the amount of deductions permitted under regulation to be made in respect of the year. At the end of the year, a statement of the net amount of levy payments for the year showing actual deductions.

The cost of administering a levy will be met from its gross revenue. In addition, the non-specified proportion to be retained by the local authority can be used to help reduce or prevent crime and disorder related to incidents concerning the supply of alcohol.

Background Papers:

Licensing Committee Report – 22 October 2012 entitled ‘Late Night Levy and Early Morning Restriction Orders’.

Appendices

Appendix 1: Table of Potential Revenue

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