

Committee(s): Licensing Committee	Dated: 23/04/2024
Subject: Late Night Levy – Charges, Exemptions, Discounts and Best Practice Schemes	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Vibrant Thriving Destination Dynamic Economic Growth Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: Bob Roberts, Interim Executive Director Environment	For Information
Report author: Aggie Minas – Licensing Manager	

Summary

At its meeting on 8 February 2024, this Committee requested a report on the legislative provisions of the Late-Night Levy (the Levy), setting out the rules on the maximum fees that can be charged and information on discounts available and how these link to best practice schemes like the City of London Safety Thirst scheme (the Scheme)

Recommendation(s)

Members are asked to:

Note the report.

Main Report

Background

1. The Late Night Levy (the Levy) is a discretionary power given to licensing authorities through The Police Reform and Social Responsibility Act 2011 (the 2011 Act), to charge a levy on those premises licensed to sell or supply alcohol between midnight and 6am (the late-night supply period) on any day of the week. The Levy is a means of raising a contribution from the licensed trade towards the costs of policing the night time economy (NTE), with the aim of reducing or preventing crime and disorder in connection with the sale or supply of alcohol during the late night supply period.

2. The decision to introduce, vary or remove a levy in the City of London (the City) can only be made by the Court of Common Council (the Court), and only after a statutory consultation has been carried out, and responses assessed prior to the decision being taken.
3. On the 28 April 2014, following the statutory consultation, this Committee considered a report on the introduction of such a levy within the City and recommended to the Court on 12 June 2014 that the Levy be adopted. The Court resolved to adopt the Levy, as recommended by this Committee, and it was introduced in the City from 1 October 2014. Once introduced, the Levy applies indefinitely unless a further resolution is made by the Court to vary or remove it.

Introducing the Levy

4. When considering whether to recommend introducing the Levy in 2014, this Committee was able to decide, within the confines of the legislation, the design of the Levy. This included (a) the late night supply period, (b) any exemptions, (c) any discount that may apply to the Levy, and (d) the proportion of revenue (after the licensing authority's costs are deducted) which will be paid to the police and crime commissioner for the area, in this case the City of London Police (CoLP), the remainder being retained by the licensing authority to fund activities as set out in paragraph 26.

The late night supply period

5. This must begin at or after midnight and end at or before 6am. The period can be for any length of time within these parameters, for example the supply period could begin at 1am, but must be the same every day.
6. The Levy is applicable to any premises licensed for the sale or supply of alcohol during the late night supply period, regardless of whether the premises are actually operating during that period.

Exemptions from the Levy

7. The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012 (the 2012 Regulations), sets out categories of premises that may be given exemption from the Levy at the licensing authority's discretion. These categories are:
 - (a) Premises with overnight accommodation – but only where alcohol sales are limited to guests staying at the hotel. The exemption is not applicable to premises, e.g., hotels with bars open to the general public.
 - (b) Theatres and Cinemas – but only where alcohol sales are limited to theatre/cinema ticket holders or participants in the production, and the sale of alcohol is not the primary purpose of the business.
 - (c) Bingo Halls licensed under the Gambling Act 2005.
 - (d) Community and Amateur Sports Clubs – but only where the premises have business rates relief under the Corporation Tax Act 2010.

- (e) Community Premises – but only where the premises meets the criteria of community premises as defined in the Licensing Act 2003.
- (f) Country Village Pubs – not applicable in the City
- (g) New Years Eve – premises that are only permitted to sell or supply alcohol during the late night supply period on New Year's Eve only.
- (h) Business Improvement Districts (BIDs) – premises that participate in BIDs but only where the BIDs have a satisfactory crime and disorder focus.

8. Licensing authorities are not able to choose a category of premises for an exemption from the Levy if it is not prescribed in the 2012 Regulations. Likewise, licensing authorities are not able to exempt specific premises from the requirement to pay the Levy.
9. The Levy does not apply to Temporary Event Notices (TENs).

Discounts on the Levy

10. The 2012 Regulations enable a licensing authority to offer a 30% discount on the Levy to premises that participate in best practice schemes and can include BIDs if not already covered by the exemption as in paragraph 7(h) above. Best practice schemes must meet benchmarks specified in the 2012 Regulations as follows:
- (a) a clear rationale as to why the scheme's objectives and activities will, or are likely to, result in a reduction of alcohol-related crime and disorder.
 - (b) a requirement for active participation in the scheme by members.
 - (c) a mechanism to identify and remove in a timely manner those members who do not participate appropriately.
11. Licensing authorities can also offer a discount to on-trade premises that are in receipt of small business rate relief under the Local Government Finance Act 1988 and have a rateable value of £12,000 or less.

Design of the City's Late Night Levy

12. During its deliberations on 28 April 2014, this Committee resolved to recommend to the Court that:
- (a) The late night supply period in the City be set from midnight until 6am.
 - (b) There would be no exemptions for any premises falling within the permitted exemption categories.
 - (c) There would be no discount offered to premises in receipt of small business rate relief.
 - (d) A discount of 30% on the Levy would be granted to premises participating in the City's Safety Thirst accreditation scheme (the Scheme).
13. The rationale for the decision was that there were no premises which would be affected by the Levy that fell into any of the exemption categories, neither were there any in receipt of small business rate relief. It was also considered that even

if there were premises within these categories, they were still capable of contributing to crime and disorder and anti-social behaviour in the NTE and should not be exempted.

14. This is the Levy design approved by the Court on 12 June 2014. If it is proposed to add or remove categories of exemption, or to consider additional / alternative best practice schemes, the statutory consultation procedure must be followed, with a further report and recommendations from this Committee to the Court.

City of London Safety Thirst best practice scheme (the Scheme)

15. The Scheme has been operating in the City since 2006 and was originally administered by the Safer City Partnership team (the SCP). It was revamped and relaunched in 2014, integrating the work of the SCP, the licensing authority and CoLP, and designed to meet the benchmarks for a levy best practice scheme as specified in 2012 Regulations and set out in paragraph 10 above.
16. To ensure that the objectives and activities of the Scheme will, or are likely to, result in a reduction of alcohol-related crime and disorder, it was aligned with the City's Code of Good Practice for Licensed Premises (the Code). The Code provides a single source of information on good practice measures and encourages licence holders to reach high operational standards at their premises through the promotion of good practice, which in turn can reduce alcohol related crime and disorder and anti-social behaviour. The latest version of the Code was approved by this Committee on 12 October 2022.
17. To achieve an accreditation under the Scheme, a licence holder must demonstrate how they meet a set of criteria drawn from the Code. Evidence to prove the criteria are met must be provided by the licensee to a Licensing Officer during an on-site assessment. The accreditation is renewed annually to ensure that good practice is actively maintained at the premises, and it is having the desired positive impact on reducing alcohol related crime and disorder in the NTE. Only premises that have an active Safety Thirst accreditation during any one late night levy year (1 Oct – 30 Sept annually) will benefit from the Levy discount in that levy year.
18. The Scheme is also aligned with the City's Traffic Light Scheme, and premises may not be considered for an award if they have been persistently in the red zone on the traffic light scheme without improvement, or if there is a pending prosecution relating to the premises licence, or if there is an outstanding noise abatement notice or fire safety enforcement notice.
19. The Scheme is highly regarded by City licensees who are keen to participate and 'be the best' in the City. These are some quotes from previous participants of the Scheme:

"Our team ... are honoured to receive the accolade ... It is great to see our values and efforts recognised by our peers. We put our guests at the heart of everything we do and this award affirms our all-round business success. We are dedicated to ensuring safety is the priority of our business."

“We are extremely proud to have won these Safety Thirst awards. Safety Thirst has grown to become an important initiative, and it is something that any venue operating in the City of London should embrace ... The kind of recognition received by such an award is hugely appreciated.”

“We are really proud to be recognised by the Safety Thirst Awards across so many of our venues, it is testament to our teams’ hard work and perseverance in delivering excellence day in and day out ... We hope to continue to build on this success next year.”

Alternative best practice schemes

20. At present, for the purposes of obtaining the 30% discount on the Levy, there are no alternative best practice schemes to Safety Thirst in the City. Possible alternatives may be schemes such as Best Bar None (BBN) - a national accreditation scheme supported by the Home Office and sponsored by the drinks and hospitality industry, or Licensing Security and Vulnerability Initiative (LSAVI) - a national accreditation scheme backed by the National Police Chief’s Council (NPCC).
21. Both BBN and LSAVI have been considered by the City and compared alongside Safety Thirst. The findings are set out in the table attached in Appendix 1.
22. Whilst all three best practice schemes meet the benchmarks of the 2012 Regulations, they each have pros and cons and there are set-up and administration costs to be considered in running multiple schemes, as well as fairness and consistency in achieving accredited status across different schemes.
23. Other possible best practice alternatives recognised by the 2012 Regulations are Business Improvement District schemes (BIDs). There are four established BIDs in the City: Aldgate Connect, The Cheapside Business Alliance, The Fleet Street Quarter, and The Eastern City Partnership. At the point of writing this report, it is not known how many late night levy premises fall within the boundaries of the BIDs, and there is inadequate information available to officers to ascertain whether the City BIDs meet the benchmarks of a best practice scheme as set out in the 2012 Regulations. With the exception of Aldgate Connect, crime prevention is not referenced in the aims of the BIDs.

Levy Charge

24. The amount of levy is prescribed nationally through the Late Night Levy (Application and Administration) Regulations 2012. The annual charges, shown in the table below, are based on the rateable value of the premises with fee bands mirroring those under the Licensing Act 2003. The Levy is collected at the same time as the annual licence fee.

Rateable Value (£)	Rateable value Band	Annual Levy charge (£)
0 – 4,300	A	299
4,301 – 33,000	B	768
33,301 – 87,000	C	1,259
87,001 – 125,000	D	1,365 (2,730*)
125,001 +	E	1,493 (4,440*)

** Where a multiplier applies for premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)*

Levy Revenue Allocation and Spend

25. The net levy revenue must be split between the licensing authority and the Police, with at least 70% of the net revenue allocated to the Police. The arrangement in the City is a 30/70 split between the licensing authority and CoLP.
26. The City is required to spend their allocation of levy money in specific areas namely:
- (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.
27. There are no restrictions on what CoLP can spend their levy allocation on. Despite this, CoLP has committed to using the money to fund additional work related to policing of the night-time economy.
28. There is no legislative restriction that prevents local agreements being made between the licensing authority and the police on how the police share of the levy revenue can be spent. A Late-Night Levy Planning Board (LNLPB) has therefore been established to discuss levy spend by the Police and to co-ordinate expenditure between the police and the City Corporation.
29. LNLPB meets quarterly and is chaired by the Chief Superintendent of Uniformed Policing and attended by other representatives of CoLP and COL including Licensing, Environmental Health, Community Safety and Finance.
30. The governance of this meeting replaces the requirement for requests for levy funds to go to Force Tasking for approval.
31. There is nothing in the late night levy regulations or the Home Office late night levy guidance requiring levy revenue to be spent within a defined period of time.

City's Spend

32. The City spends its levy allocation on:

- (a) Out of Hours Team** - The out of hours team gives additional support to the Corporation's Pollution Control Team and operates Monday to Friday between 17:00 and 08:00 and provides a 24-hour service at weekends. The team consists of Street Environment Officers and can provide a rapid response to complaints relating to public nuisance and anti-social behaviour – usually in the form of noise. This information is fed back to the Licensing Service who can visit the premises concerned and discuss ways in which problems can be avoided.
- (b) Part funding of licensing team posts** - To mitigate problems occurring in the NTE, the City operates a traffic light scheme whereby incidents relating to licensed premises carry a score which is recorded and used to identify where problems may escalate. The Licensing team, City Police or other responsible authority are then able to meet with the premises and discuss ways in which problems can be avoided. Although the traffic light scheme applies to all premises, over 90% of those engaged sell alcohol after midnight.
- (c) Cleansing** - The Environment Department provides a cleansing service through their term contractor that is funded from the late-night levy. This service covers all areas of the City of London and operates Thursday to Sunday (inclusive) during the hours that the levy is applicable. The levy funded cleansing team visit locations throughout the City, sweep, clear litter, wash, disinfect and deal with any anti-social behaviour issues and staining identified around licensed premises. They also provide a service for one-off licensed events. Scheduled flushing and washing is carried out on streets around these locations, as well as removal of flyers and other related litter that is generated by the night-time economy. Part of the enhanced service also covers the flushing and washing of transport hubs. This service has a positive effect on the cleanliness and image of the City. The cleansing management team believe that this service addresses the additional challenges raised by the increasing night-time economy. The service is monitored by the Street Environment Team (COL) and Veolia managers to make sure the required standards are achieved.
- (d) Supporting Operation Reframe** - Operation Reframe is a CoLP led partnership approach to facilitate the night-time economy by providing a high visibility presence, with the goal of making people feel safe in the City of London, in line with the Safer Streets Campaign and preventing violence against women and girls. It involves targeted engagement with licensed premises around security and management, engaging with persons on the street that appear under the influence of alcohol and/or vulnerable and directing them to a staffed 'safe zone', promoting the 'Ask for Angela' safety initiative, highlighting the risks of drink-spiking, and carrying out visible drink-spiking tests in agreement with premises. The City has provided resources to assist City Police during Operation Reframe partnership evenings in the form of staff experienced in licensing and environmental health.

33. Since 2014, the City has also spent levy revenue on one-off NTE related projects such as **Club Soda** – a campaign promoting the consumption of non-alcoholic beverages on a night out, an **NTE review** – a project mapping and analysing the

City's NTE to provide an evidence base for targeting resources to better manage the NTE, **Safer Nightlife** – an online interactive tool providing guidance on how to manage drugs safely in the NTE, **Sexual Harassment training** – directed at licensed premises to help them respond to incidents.

Police Spend

34. CoLP spends its levy allocation on:

- (a) **A dedicated Police Licensing Inspector** – the levy funds a police Licensing Inspector post in the CoLP licensing team. This post is fundamental in managing operational and tasking issues within the NTE, reducing alcohol related crime and disorder and keeping the City safe at night.
- (b) **A dedicated Police Licensing Officer** – the levy funds an additional police officer in the CoLP licencing team. This officer provides ongoing resilience for the team and is responsible for gathering and checking risk management information for promoted events using intelligence systems. As a result, stakeholders are provided with the best information available for their events and can be warned about any particular issues identified in advance. The work of this officer also manages and removes risk from other NTE activity.
- (c) **A Police CCTV Van** (including maintenance costs) – used to deter crime and anti-social behaviour stemming from the NTE and gather evidence following any incidents.
- (d) **Additional resources for Operation Reframe** including Police officers, St John's Ambulance, ParkGuard staff.

35. Since 2014, CoLP has also spent levy revenue on Christmas safety campaigns, joint cycle patrols with London Ambulance Service paramedics, Alcohol Recovery Centre and SOS Bus, street pastors, covert investigations into the supply of Class A drugs at licensed premises and Stop the Bleed kits, Urilifts (pop up urinals), Violence Against Women and Girls (VAWG) campaigns, Ask for Angela, and drinking spiking awareness campaigns.

Future Spend

36. The City currently has an unspent balance of £122k. This has accrued due to a combination of several factors including lower spend during years 1 & 2 of the Levy while plans for the most effective use of the funding were developed, staff vacancies now filled, the COVID 19 pandemic when the hospitality sector was forced to close and activity in the NTE ceased for the best part of 12 months, and during the post pandemic recovery period when the hospitality trade was slow to bounce back in the City. During this time, the cleansing service was reduced, and traffic light scheme and additional support in the NTE was temporarily ceased.

37. As the City's revenue spend is ringfenced, any surplus from one year is rolled forward to the next year. Over the next few years, the City's annual committed spend exceeds the forecast annual income. This is due to pay and price

increases as well as supporting the Police led partnership initiative Operation Reframe. It is anticipated that this will use up the City's unspent balance within the next four to five years, after which time the ongoing expenditure detailed in paragraph 32 will need to be reduced.

38. The City has just relaunched its Safety Thirst accreditation scheme and officers will encourage as many applications as possible this year from venues that fall within the late night supply period, to ensure their late night activities do not adversely impact crime and anti-social behaviour in the NTE.
39. CoLP currently has a projected unspent balance of £336k. Police revenue spend is not ringfenced, therefore there is no obligation to roll any surplus from one year over to the next. However, the LNLPB has currently agreed that any unspent revenue should be rolled forward and committed to policing the NTE.
40. The next meeting of the LNLPB is due in June 2024 where proposals for crime reduction and public safety initiatives in the NTE and future spend of accrued CoLP levy revenue will be discussed and agreed.

Corporate & Strategic Implications

41. The proposals in this report will help to meet the aims contained within the Corporate Plan 2024-29, namely, to deliver a 'vibrant thriving destination', 'flourishing public spaces' and 'providing excellent services' by way of making people safe and feel safe in the NTE. The proposals will also drive 'dynamic economic growth', by encouraging hospitality businesses to trade in the City's safe, vibrant and welcoming NTE.
42. The proposals in this report also align with the aims of the government's national Safer Streets Campaign and tackling violence against women and girls.

Financial implications

43. Any money retained by the City Corporation from the levy income must be spent on the areas referred to in paragraph 26, although it does not have to be spent in the same levy year in which the income was generated. Any expenditure in excess of the income received would need to be met from existing local risk budgets.

Resource implications - none

Legal implications – none

Risk implications - none

Equalities implications – none

Climate implications - none

Security implications - none

Appendices

- Appendix 1 – Best Practice schemes comparison table

Background Papers

The Late Night Levy (Application and Administration) Regulations 2012.
The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012.
Home Office 'Amended Guidance on the Late-Night Levy' – 13 July 2023
Licensing Committee agenda and minutes of meeting 28 April 2014.

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