



Appendix 1

CITY OF LONDON CORPORATION

LATE NIGHT LEVY - CONSULTATION

1. Background

- 1.1. The City of London is the world's leading international financial and related business services centre. The City of London Corporation provides local government services for this financial and commercial heart of Britain, the 'Square Mile'.
- 1.2. Whilst primarily a business district, the City of London has a significant residential population and an expanding night life which is enjoyed by many thousands of residents and visitors. In order to maintain the City of London's reputation as a safe City, an active night time economy brings with it additional costs for the Corporation, the City Police, and other services dealing with public nuisance and crime & disorder.
- 1.3. The Police Reform and Social Responsibility Act 2011 (PRSR) amends and supplements the Licensing Act 2003 allowing local authorities to charge a levy to persons who are licensed to sell alcohol late at night in the authority's area as a means of raising a contribution towards the cost of dealing with the late-night economy.

2. What is a Late Night Levy?

- 2.1. If implemented the levy would be an additional fee to be charged to those premises licensed to sell alcohol during the supply period. The supply period must begin at or after midnight and end at or before 6 am. For example, if the supply period was set between 1am and 6am then every premises licensed to sell alcohol within the City of London, at any time during that period, would be subject to the levy.
- 2.2. The amount of the levy has been set by regulation and is calculated according to the rateable value of the premises. If implemented, the levy would be collected alongside the annual licence fee.

Rateable Value (£)	Rateable Band	Amount of Levy (£)	
		Annual Levy	Weekly Equivalent
0 – 4,300	A	299	5.75
4,301 – 33,000	B	768	14.77
33,301 – 87,000	C	1,259	24.21
87,001 – 125,000	D	1,365 (2,730*)	26.25 (52.50*)
125,001 +	E	1,493 (4,440*)	28.71 (85.39*)

- *Premises that exclusively or primarily sell alcohol for consumption on the premises
- 2.3. Only premises licensed to sell alcohol are affected by a levy. A premises only providing regulated entertainment or late night refreshment would not be included.

3. Why a Late Night Levy in the City of London?

- 3.1. The desirability and need of introducing a late night levy within the City of London has been discussed with the City of London Police. Although the number of alcohol related crimes have decreased in the last two years, there remains a significant number occurring between midnight and six in the morning.
- 3.2. Alcohol related crimes include any of the following where alcohol has been an aggravating factor:
- Violence against the person (common assault, actual bodily harm, grievous bodily harm)
 - Public order offences (relative to the Public Order Act 1986)
 - Drunk and Disorderly

Although not a ‘recordable’ offence, drunk and disorderly is included due to the inordinate amount of police time taken in dealing with it.

- 3.3. The number of alcohol related crimes that have taken place within the City of London during the past two years between midnight and 06.00 a.m. can be seen in the tables below. This accounts for over 50% of the total number of alcohol related crimes that take place within the City of London.

Offence Category	Drunk & Disorderly	Violence With Injury	Violence Without Injury	Public Order Offences
<i>Statistics For The Year</i>				
1st November 2012 – 31st October 2013				
0000 - 0100	13	16	5	9
0100 - 0200	8	35	14	8
0200 - 0300	8	28	6	5
0300 - 0400	15	22	6	2
0400 -0500	2	11	5	3
0500 - 0600	2	2	2	2
Total	48	114	38	29
			Grand Total	229

Offence Category	Drunk & Disorderly	Violence With Injury	Violence Without Injury	Public Order Offences
Statistics For The Year				
1 st November 2011 – 31 st October 2012				
0000 - 0100	29	20	14	9
0100 - 0200	13	15	7	2
0200 - 0300	11	26	9	6
0300 - 0400	14	20	6	10
0400 - 0500	14	9	6	3
0500 - 0600	6	7	1	1
Total	87	97	43	31
			Grand Total	258

3.4. The costs involved in policing the night time economy relate primarily to staffing costs. Operational requirements arise from intelligence, statistics and specific taskings. To ensure appropriate levels of staff are on duty at any given time a format known as ‘minimum numbers’ is used and relates to the minimum number of all ranks that would be on duty at any given time.

3.5. Night duties are deemed to be any time between 20:00 and 06:30. Enforcing the night time economy between these hours costs the Police just over £2m. (The period relevant to the late night levy is almost 60% of the total hours expenditure for night duties). The £2m is made up approximately as follows:

• Uniform Policing	1,543,882
• Intelligence and Information	335,070
• Criminal Investigations Department	252,570
Total:	£2,131,522

3.6. In addition to the above costs, around 150 of the alcohol related crimes involve further investigation at a cost of approximately £645,000.

3.7. The above figures are minimum costs. They do not take into account sudden specific needs involving extra resources and overtime. Additionally, where crimes above involve violent disorder, grievous bodily harm, and attempted murder etc., further investigative costs can amount to hundreds of thousands of pounds for them alone.

3.8. Compared to other areas, crime numbers in the City of London are low. However, the City of London Police have the same need to respond to Home Office requirements to reduce crime as well as the ongoing need to respond to the fear of crime regularly

identified in the British Crime Survey. If there are any improvements in crime reduction to be had, it is the duty of the City Police to identify appropriate areas to respond and fund those in any way it can.

City of London Code of Practice and Risk Scheme

- 3.9. In April 2013 the City of London introduced a Code of Practice with the aim of providing premises licence holders guidance on good practice in the promotion of the four licensing objectives.
- 3.10. In addition to the Code, a ‘Traffic Light’ risk scheme was introduced as a tool to assist the Corporation in identifying, at an early stage, those premises that may be having difficulty in promoting the licensing objectives.
- 3.11. The intention is that the risk scheme assists greater partnership working with licensed premises, helping to identify areas that are not working quite right, putting an action plan in place to rectify the problems thus avoiding unnecessary formal action at a later date.
- 3.12. The operation of the scheme is currently being funded on a temporary basis which is unsustainable in the long term. Funds raised through the late night levy would help to fund the scheme on a permanent basis and permit the Corporation to work even closer with licensed premises with the joint aim of providing a safe place for people to go and enjoy the night time economy (see also 5.10 to 5.12).

4. How much would a Late Night Levy raise?

- 4.1. The City of London currently has 747 premises licensed to sell alcohol of which 290 premises are licensed to sell alcohol after midnight. The total number of premises licensed to sell alcohol between midnight and 6 a.m. can be seen in the table below.

Premises Rateable Band	Fee Per Premises In Each Band	Number of premises that sell alcohol in each of the hour bands between midnight and 06:00 a.m.						
		00:01 - 01:00	01:01 - 02:00	02:01 - 03:00	03:01 - 04:00	04:01 - 05:00	05:01 - 06:00	
A	£299	1	1	5	0	0	0	
B	£768	6	2	3	4	1	0	
C	£1,259	56	43	16	1	0	2	
D	£1,365	13	11	11	0	0	3	
D (multiplier)	£2,730	2	5	3	1	1	0	
E	£1,493	32	25	12	2	0	1	
E (multiplier)	£4,440	6	8	5	7	1	0	
Total		116	95	55	15	3	6	

- 4.2. If every one of the above 290 premises paid a Levy it would raise approximately £475,000 each year. At least 70% of this sum has to be paid to the City of London Police with the remainder being kept by the City Corporation in order to help fund activities aimed at decreasing crime and disorder associated with the night time

economy (see also 5.10 to 5.12).

- 4.3. However, it is likely that some of the premises that do not open beyond midnight on a regular basis, but have a licence to do so if they so wished, would vary their licence to bring forward the terminal hour for alcohol sales to midnight. This service would be free of charge for a three month period following an announcement that a levy would be introduced and would take a premises outside of the levy period. Based on the experience of other local authorities, this figure can be as high as 30% of the total number of premises selling alcohol after midnight which, in the case of the City of London, equates to 87 premises.
- 4.4. There are various costs associated with operating a Late Night Levy which would be incurred by the City Corporation. These costs have been calculated to be approximately £15,000 to cover the first year period up to the 31 March 2015. These costs may increase or decrease in future years. This administration cost can be taken from the money raised through a Levy before it is allocated to the City Corporation and the Police.
- 4.5. The City Corporation can use the levy to support participation by premises in best practice schemes by applying a 30% discount to those premises who so participate. It is recommended that any premises meeting the criteria enabling them to gain a City of London's Safety Thirst Award would receive a reduction on their levy payment.
- 4.6. By offering such a discount, it is hoped that premises would be encouraged to participate in the Safety Thirst scheme with the aim of reducing alcohol related crime and disorder.
- 4.7. The table below shows how much money is likely to be produced from the introduction of a levy for different levy periods. Each row shows the amounts for a levy period which is gradually reducing in time by taking back the start time of the levy period. Row one for example, showing money raised if the levy period was for the full six hours and ran from midnight to 06:00 a.m. The last row shows money raised if the levy period was only for one hour between 05:00 and 06:00 a.m.

The columns in the table refer to the following:

- A – Total amount raised if all 290 premises were to pay the levy without any deductions.
- B – Total amount raised if 30% of all premises varied their hours to bring them outside the levy period.
- C – Total amount raised from 70% of the premises less £15k to administer the scheme.
- D – Total amount raised from 70% of the premises less the administration costs and less a discount of 30% to account for premises participating in the Safety Thirst Award Scheme.
- The final two columns is the amount in column D split between the City Corporation and the City of London Police, with 70% going to the Police and 30% to the City Corporation.

	A	B	C	D	Local Authority Portion	Police Portion
Amount raised if Levy introduced from midnight to 06:00	474,949	332,464	317,464	222,225	£ 66,668	£ 155,558
Amount raised if Levy introduced from 01:00 to 06:00	301,917	211,342	196,342	137,439	£ 27,488	£ 109,951
Amount raised if Levy introduced from 02:00 to 06:00	144,435	101,105	86,105	60,273	£ 12,055	£ 48,219
Amount raised if Levy introduced from 03:00 to 06:00	57,171	40,020	25,020	17,514	£ 3,503	£ 14,011
Amount raised if Levy introduced from 04:00 to 06:00	16,044	11,231	N/A	N/A	N/A	N/A
Amount raised if Levy introduced from 05:00 to 06:00	8,106	5,674	N/A	N/A	N/A	N/A

5. What will Levy funds be spent on?

- 5.1. At least 70% of net revenue raised by the levy must be paid to the City of London Police. In order to meet the requirements of both the Police and the City Corporation it is suggested that the minimum 70% be given to the Police with the remaining 30% going to the City Corporation.
- 5.2. There are no restrictions placed by legislation on how the Police are to spend their portion of the levy. Fears have been expressed in other areas, particularly other London Boroughs, that money raised through a levy and given to the Police could be spent in areas that are totally unrelated to the local authority collecting the money. However, the City of London Police work exclusively within the City of London and any such fears would not therefore be realised. The Police have indicated that any money raised will be spent in areas outlined in sections 5.5 to 5.9 below.
- 5.3. There are restrictions placed on the types of activities that licensing authorities can fund with the levy revenue to ensure that money is spent on tackling alcohol related crime and disorder namely:
- The reduction or prevention of crime and disorder
 - The promotion of public safety
 - The reduction or prevention of public nuisance
 - The cleaning of any highway maintainable at the public expense within the City of London (other than a trunk road) or any land to which the public are entitled or permitted to have access with or without payment and which is open to the air
- 5.4. If a levy was introduced, the City of London licensing authority would spend any money raised on the areas outlined in sections 5.10 to 5.12 below.

Portion allocated to City of London Police

- 5.5. To cover the costs associated with licensing hearings, advice and objections to Temporary Event Notices (TEN's etc.), is estimated as being between £20,000 and £30,000 per annum. It is clear that the police (as a responsible authority) are the key contributor when it comes to identifying a need for a realistic objection to a grant, variation or submission of a TEN.

- 5.6. Funding three additional officers to run an effective ‘action team’ within the licensing department. The team would actively target the licensed premises that have been identified via the Force Intelligence Bureau (FIB) as premises that are responsible for the majority of crime and or disorder occurring at their premises. They would work with those premises so that they can achieve better results in promoting the licensing objectives. Furthermore it would fall to them to identify persistence in failures and contraventions of licensing conditions.
- 5.7. The night time economy has grown considerably in the City of London since the evolution of the police Licensing Team to its current form; however the team has not been expanded accordingly. Over time several “problem” premises have been identified but, owing to a lack of tangible high-grade evidence, it has taken a considerable amount of time to deal effectively and efficiently with them. The extra three staff would facilitate preventative measures in order that further, more formal action is not necessary.
- 5.8. Covert operations to detect offences and as a consequence supply high-grade evidence of licensing offences allowing early intervention would also be funded. This role needs to be carried out by trained officers (sometimes from other forces), as the City’s own licensing officers are known. Past experience would suggest this activity would occur approximately five or six times a year.
- 5.9. In addition, it would allow the Licensing Action Team to further its partnership working with the London Fire Brigade, Security Industry Association, and Trading Standards to be available to engage/detect/advise and enforce where the evidence is overwhelming; to learn lessons and to continue to promote good practice.

Portion allocated to City of London Corporation

- 5.10. The City Corporation would use the money raised from a Levy in two areas. Firstly, it would go towards funding a post to operate the Code of Practice and Risk Assessment scheme. The postholder would work closely with all licensed premises in an advisory capacity in order that they have the best possible chance of promoting the licensing objectives.
- 5.11. Secondly, the City Corporation would fund a team of officers to work during the period midnight to 06:00 a.m. Officers would be able to respond speedily to complaints from members of the public where they are being disturbed by excessive noise. This will allow officers to see the problems as they are occurring and take the appropriate action. In the majority of cases this would involve working in partnership with the licensed premises in question to alleviate problem areas.
- 5.12. The cost to the City Corporation would be approximately:
 - Additional Post - £57k. (This amount includes other charges associated with the post and is not solely salary).
 - Night time response - £23k

6. What should be the Late Night Supply Period?

- 6.1. Data provided by the City of London Police show that the period midnight to 06:00 a.m. accounts for the majority of alcohol related crimes committed in the City of London.
- 6.2. Just over 50% of violent crimes committed in the City are alcohol related whereas between mid-night and 6 a.m. 80% of violent crimes committed are alcohol related.
- 6.3. The Government has indicated¹ that the Late Night Levy charges are designed to reflect an estimate of the number of police hours that may be required as a result of premises opening beyond midnight. It was estimated that, very broadly, one hour of a police officer's time may reasonably be expected to be incurred for every two hours that a large premises opens late (This was not intended to provide an accurate assessment of how much the late night economy costs police forces, but provided a means for setting an appropriate Levy charge based on the principle that police resources are employed as a result of premises opening late). To ensure that the charge was fair and proportionate on business, proportionately smaller charges were set for premises with a lower rateable value.
- 6.4. Police data above show that alcohol related crimes are being committed on a regular basis from midnight. Therefore, in order to use the money raised through a Levy in the most efficient and cost effective manner, it is proposed that any Levy period should be between the hours of midnight and 6 a.m.

7. What exemptions should be allowed?

- 7.1. Certain types of premises may be granted an exemption as prescribed in regulations. These are as follows:
 - **Premises with overnight accommodation:** This exemption is not applicable to any premises which serve alcohol to members of the public who are not staying overnight at the premises, such as a hotel bar which can be accessed by the general public.
 - **Theatres and Cinemas:** Premises in this category must ensure that, during the late night supply period, the sale of alcohol is only made for consumption on the premises to ticket holders, participants in the production or invited guests to a private event at the premises.
 - **Bingo Halls:** Premises must be licensed and regulated under the Gambling Act 2005 and the playing of bingo is the primary activity carried on at the premises.
 - **Community Amateur Sports Clubs (CASC):** This exemption only applies to those premises registered as a CASC under section 658 of the Corporation Tax Act 2012.

¹ 'Dealing with the problems of late night drinking - secondary legislation consultation' (Home Office Impact Assessment)

- **Community premises:** Premises in this category must have successfully applied for the replacement of the mandatory ‘designated premises supervisor’ condition.
- **Country village pubs:** Not applicable in the City of London.
- **New Year’s Eve:** This applies to premises which are authorised to sell alcohol in the supply period only by virtue of the fact they are permitted to supply alcohol during this period on 1st January each year.
- **Business Improvement Districts (BIDs):** Licensing authorities can offer an exemption from the levy for premises which participate in BIDs that operate in the night time economy. There are currently no BIDs within the City of London.

7.2. It is envisaged that no exemptions will be given in the City. All premises falling in one or more of the above categories and authorised to sell alcohol between midnight and 06:00 a.m. do contribute, to some extent, to the cost of policing the late night economy. Further rationale for not applying any exemptions is that this approach creates a level playing field for all affected premises and keeps administrative burdens and costs to a minimum.

8. What reductions should be allowed?

8.1. In addition to the above a licensing authority can also offer a reduction to:

- Premises that are in receipt of Small Business Rate Relief and have a rateable value of £12,000 or less. The reduction is only available to premises that supply alcohol for consumption on the premises.
- Membership to a suitable best practice scheme designed to reduce alcohol crime and disorder.

8.2. The City of London currently operates a Code of Practice and Risk Assessment Scheme whereby premises accumulate points for activities which are detrimental to one or more of the licensing objectives. When a certain number of points are reached, actions will be agreed between the licensing authority and the premises with the aim of reducing, and finally eliminating, the detrimental activities. From 2014 this scheme is to be linked with the Corporation’s award scheme ‘Safety Thirst’ for well-run licensed premises where patrons can drink safely.

For more information on the Code of Practice and Risk Assessment Scheme please go to [Code and Risk Scheme](#).

8.3. The Council is eager to encourage premises to participate in their Safety Thirst scheme that actively works to reduce crime and disorder in the late night economy. Therefore it is proposed that if a Levy were to be introduced, compliance with the scheme would attract a 30% reduction which is the maximum permitted under legislation.

8.4. It is not proposed that the reduction be applied to those premises in receipt of a Small Business Rate Relief. The fact that premises are in receipt of rate relief does not diminish their contribution to the cost of policing the night time economy. However, those premises do have the opportunity of meeting the Safety Thirst criteria and obtaining a reduction of 30% on their Levy payments through that means.

9. General Considerations

- 9.1. The night time economy does provide significant economic benefits for the City of London and the City Corporation must examine any potential detriments that might be caused by the introduction of the Late Night Levy.
- 9.2. The Late Night Levy will range from £299 to £4,440 per year. This is the equivalent of between 82p and £12.19 per day. It is considered unlikely that this would have a detrimental effect on affected businesses or cause them to change their operations. The Government has said² that premises are expected to make higher profits than the cost of the Levy and thus not be dissuaded from operating (as distinct from possessing authorisation allowing them to operate). They consider that 25% is a reasonable estimate of the proportion of premises that may seek to avoid the Levy, by changing their authorisation where they do not actually operate during those hours. But they also say that they expect that only a very small proportion of premises will reduce their actual operating hours to avoid the Levy.
- 9.3. The UK Government sets the amount of the Late Night Levy and has not indicated that it intends to increase the amount of the Levy regularly. It has indicated that it proposes to review the whole policy in 2017. On this basis, the introduction of the Levy is not expected to significantly affect the Night Time Economy in the City.
- 9.4. Some may argue that the costs of addressing crime and disorder should be financed through general taxation rather than be a burden on operators. Parliament has however created the power to introduce the Late Night Levy and require a low but significant contribution to the costs by operators. The principal has been decided by Parliament and the Corporation does not see any need to question that.

10. What next?

- 10.1. A copy of this consultation document will be sent to the following persons allowing for as wide a consultation as possible:
 - Premises licence holders in the City of London
 - Responsible authorities
 - Members of the Court of Common Council
 - Other interested City Corporation services
 - Representatives of local residents

In addition to the above the consultation documents will be available on the City of London's website.

- 10.2. The consultation will commence on Wednesday 26 February 2014 and finish on Tuesday 08 April 2014.

² 'Dealing with the problems of late night drinking - secondary legislation consultation' (Home Office Impact Assessment)

10.3. If a levy is introduced it will commence from October 1 2014. An announcement will be made in June 2014 allowing three months for licence holders to make a free application to vary their licence if they wish to avoid paying the levy.

10.4. The approximate timetable if a levy was to be introduced is as follows:

26 February 2014	Consultation commences
08 April 2014	Consultation finishes
April 2014	Consideration and analysis of survey results
April 2014	Report to Licensing Committee
May 2014	Report to Court of Common Council
June 2014	Announcement of decision
Jul-Sep 2014	Determination of applications to vary a premises licence to take licence outside the levy period (if required)
October 2014	Start of Levy Year

11. How can I express my views?

11.1. Complete the questionnaire attached to this consultation document (pages13-17) and send it to:

Licensing Service
Levy Consultation
Walbrook Wharf
Upper Thames Street
EC4R 3TD

11.2. Alternatively email a copy of the completed questionnaire to licensing@cityoflondon.gov.uk.

11.3. Further documentation can be downloaded from our web site or we can send you a copy on request. For further information please call the licensing team on 020 7332 3406.

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CITY OF LONDON CORPORATION

LATE NIGHT LEVY

CONSULTATION QUESTIONNAIRE

Question 1

It is proposed that a Late Night Levy be introduced in the City of London in order to assist in the funding of the reduction and prevention of crime and disorder in connection with the late night supply of alcohol.

a) Do you agree that a late night levy should be introduced in the City of London? Yes/No

b) If not please give your reasons below?

(n.b. If you answer 'No' to this question, any further answers will only be taken into consideration if a Levy is introduced. Your opposition to the introduction of a Levy will still be noted and be of prime consideration in any decision made).

Question 2

It is proposed that the Levy should be introduced for those premises who supply alcohol between the hours of midnight and 6 a.m.

a) Do you agree that if a levy was to be introduced it should operate between these times? Yes/No

b) If not, during what time period do you think the levy should operate and why?

1am – 6am

2am – 6am

Any other time span

(please state which time span)

Reasons for your choice of time period:

Question 3

It is proposed that no premises should be exempted from paying the Levy.

a) Do you agree that there should be no exemptions? Yes/No

b) If not, which of the following types of premises do you think should be exempted from paying the levy? (mark each one you think should be exempted).

- | | |
|--------------------------------|--------------------------|
| Overnight Accommodation | <input type="checkbox"/> |
| Theatres & Cinemas | <input type="checkbox"/> |
| Bingo Halls | <input type="checkbox"/> |
| Community Amateur Sports Clubs | <input type="checkbox"/> |
| Community Premises | <input type="checkbox"/> |
| New Year's Eve | <input type="checkbox"/> |
| Business Improvement Districts | <input type="checkbox"/> |
| No Exemptions | <input type="checkbox"/> |

c) If you have ticked one or more of the boxes above please give your reasons below.

Question 4

It is proposed that premises meeting the necessary 'small business rate relief' criteria should not be entitled to a reduction in Levy.

a) Do you agree that such premises should not receive a reduction? Yes/No

b) If not, please give your reasons below?

Question 5

It is proposed that those premises meeting the requirements of the Safety Thirst Award Scheme should be entitled to a 30% reduction in their Levy payment.

- a) Do you agree that such premises should receive a 30% reduction?
Yes/No

- b) Please give your reasons below.

Question 6

It is proposed that the income raised from the Levy should be divided between the City Corporation and the City of London Police with 30% going to the City Corporation and 70% to the Police.

- a) Do you agree that the net revenue from the levy should be split in this way? Yes/No

- b) If not, please give your reasons for this and the split you feel would be more appropriate (Please remember that the City of London Police cannot receive less than 70%).

Question 7

It is proposed that that income from the Levy received by the City Corporation will be spent in accordance with paragraphs 5.10 and 5.11 of this document.

a) Do you agree with the way in which the City Corporation will spend their portion of the levy. Yes/No

b) If not, please give your reasons below and any suggestions you have for ways in which the money can be spent (please remember that the money can only be spent on those areas described in paragraph 5.3 of this document.

Question 8

a) Do you agree with the way in which the City of London Police will spend their portion of the Levy? Yes/ No

b) If not, please give your reasons below giving examples where possible of how you think the money would be better spent.

Question 9

Have you any other comments to make regarding the introduction of a Late Night Levy?

Thank you for completing this questionnaire. Could you please indicate below the capacity in which you are making your comments?

Licensed Premises (with licence to sell alcohol after Mid-night)	<input type="checkbox"/>
Licensed Premises (with licence to sell alcohol no later than Mid-night)	<input type="checkbox"/>
Non-Licensed Business (no licence to sell alcohol)	<input type="checkbox"/>
Resident	<input type="checkbox"/>
Alderman or Common Councilman	<input type="checkbox"/>
Other (please state)	<input type="text"/>

We are happy to accept the consultation questionnaire anonymously but if you would like to tell us who you are then please complete your details below:

Name: _____

Organisation you represent (if relevant): _____