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Licensing Service
 Levy Consultation
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Our Ref: GBH/MXS/09856

Dear Sirs

Response to Consultation Questions as set out in the Consultation Document on the introduction of a Late Levy in the City of London

This firm acts on the behalf of the Grange Hotels Group and specifically within the City of London for the Grange St Pauls on Carter Lane and the Grange City in Coopers Row, the first of which lays adjacent to St Pauls Cathedral and the second laying adjacent to the Tower of London.

The Grange City Hotel is a five star hotel which incorporates the last remaining section of the London's roman wall as a main feature and houses 307 guest bedrooms and suites and includes several bars and restaurants within. It also includes very large ballrooms and meeting rooms with conference facilities and attracts many thousands of discerning guests each year. The Grange St Pauls is another luxury five star hotel adjacent to St Pauls Cathedral and contains 433 guest bedrooms with a similar array of bars and restaurants and a nightclub. It also includes very large meetings spaces and events areas and attracts thousands of discerning guests each year. The two hotels employ hundreds of people on their staff and obviously contributes substantially to the local economy both in supporting local businessman and also the payment of non-domestic rate. It's also significant elector in City Council Elections.

This letter is submitted as the Hotel's comments on the draft late night levy proposals set out in the City Council's consultation document. We will deal with each question in turn as follows:-

Question 1a – Do you agree that a Late Night Levy should be introduced in the City of London?

We would make all the same points which were made in our previous submission to the previous consultation in our letter dated the 5th September 2013.

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We do not agree with the implementation of any late night levy or tax in this regard.

Firstly, the Licensing Act 2003 provides that in making a decision as to the levy the licensing authority must consider:

- (a) The costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 6am and
- (b) Having regard to these costs, the desirability of raising revenue to be applied in accordance with the late night levy provisions.

Since the last consultation document it is clear that the City of London were concerned about the porosity of evidence to support the police submissions in relation to the costs of policing the late night economy. The previous, rather spurious graph has now been omitted to be replaced with two tables which purport to set out the number of alcohol related crime that has taken place within the City of London during the last two years between midnight and 0600. It goes on to say that the figures in the two charts represent about 50% of the total number of alcohol related crimes that take place within the City of London.

In other words just under 50% is attributable to other hours of the day and it is submitted that given the almost 50/50 split between the so called "alcohol related crimes" between midnight and 0600 and those in the rest of day there is little justification for the imposition of a late levy on the basis of these figures alone. It is unclear why the City of London would seek to tax businesses in a difficult economic climate in relation to "alcohol related crime" occurring during the hours set out in the tables in the document when there is also equivalent number of "alcohol related crimes" occurring in the rest of the day. There is, therefore, no apparent dramatic leap in "alcohol related crimes" during the early hours of the morning compared with the rest of day.

Again, as in the previous document there is no attempt to discriminate between alcohol related crimes caused generally and those which are directly related to licenced premises. No figures are provided for the number of alcohol related crimes that occur inside domestic residences and which include violence within those residences. No figures are supplied as to the alcohol related crimes occurring in public places which are not attributable to licenced premises. Furthermore, it is not established that insofar as any crimes are related to licenced premises those premises were not outside the City of London rather than within its boundaries.

It is therefore submitted that of the 258 matters occurring in 2011/12 and 229 matters occurring in 2012/13 a significant number must be removed on the basis that not all of these figures are attributable to licenced premises. The City Council is again reminded that the licensing authority is required to consider the costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 0600 in its area. There is no evidence whatsoever which relates these

figures to the supply of alcohol within licenced premises during the hours in question within the City of London. It is submitted, therefore, that the figures are meaningless and cannot act as the basis for the imposition of a levy or tax across nearly 300 businesses.

The figures contained within the two tables also represent a tiny proportion of the overall figures of crime reported within the City of London. For example, total recorded crime for just the month of February 2014 and January 2014 amounted to over 600 matters in each month. Over 1200 reports of crime in just two months. The figures set out in the tables refer to 487 matters in two years. Accordingly, there is more recorded crime in total in one month in the City of London than there is in all alcohol related crimes in the last two years from the police figures. This therefore represents a tiny fraction of the overall recorded levels of crime in the City. On average of about 600 reported crimes per month in the last two years there has been a total of 14,500 reported crimes compared to 480 alcohol related matters. This represents 0.03% of the total. The figures which are quoted are from the Police.UK Crime Mapping Analyses.

In terms of the income afforded to the police by the tax, it is submitted that the City of London police already benefits from a substantial budget as set out in its recent Annual Report for 2012/2013. This report states that the City of London police recedes at £109,400,000.00 in 2012/13 compared to £103,504,000.00 in 2011/12. Its expenditure of £109,400,000.00 is exactly matched by its income in the form of grants from the Home Office and the Police Authority as well as a combination of other grants and reimbursements.

In a time of financial restraints it appears that the City of London police income has risen from £103,000,000.00 to £109,000,000.00 and there is therefore no justification for suggesting that they now require an extra £155,000.00 or 0.0014% of the overall total.

The same principles relate to the income of the Corporation of London with over a £100,000,000.00 income.

Finally, the consultation document at paragraph 3.8 admits that crime numbers in the City of London are low compared to other areas.

Accordingly, the incomplete figures provided in the consultation document cannot act as the basis for the imposition of a tax on 300 businesses within the City of London.

Question 1(b) If not, please give your reasons below:

For all the reasons given above the late night levy is opposed. There is simply no reliable evidence upon which a reasonable council properly directing itself could come to a conclusion that there is a requirement for a tax on 300 businesses within its area when there is no link provided between the numbers of "alcohol related crimes" and those premises. No evidence is provided by the police for the numbers of alcohol related crimes occurring within domestic residences or on the streets which are not related to licenced premises within its

area. It is submitted that many alcohol related matters are connected to domestic incidents or alternatively to the sale of alcohol and off licences including supermarkets and possibly to licenced premises outside of the City of London. In any event there is a figure which would reduce those figures set out in the tables produced in the consultation document. Those figures as we have said above also represent a tiny proportion of the overall crime levels within the City of London.

It is also submitted that if there is indeed a problem associated with "alcohol related crimes" connected to licenced premises within the City of London then these can be addressed through business improvement districts where businesses work together to raise their own money to tackle issues and through the City of London's own "safety thirst" scheme which is successful.

As we have indicated before it is for the police service within the City of London with a substantial budget running into hundreds of millions of pounds to organise its priorities and allocate resources sensibly.

Question 2(a) Do you agree that if a levy was to be introduced it should not be between these times midnight to 0600?

It follows that if we suggest that there should be no late night levy within the City then we can agree with the proposed time periods set out in the question.

Furthermore as we have suggested above the figures presented are unreliable and uninformative and do not give an accurate portrayal of alcohol related crimes which relate directly to licenced premises within this City of London.

Furthermore, the paper does not seek to define what is it meant by "alcohol related crime". Does this mean that those crimes related to individuals who had consumed alcohol or can it also mean reported crimes which occurred within the vicinity of licenced premises and those licenced premises were used as a marker in order to identify the location of the crime. None of this is clear from the statistics produced by the police.

Accordingly no comment can be made upon the various hours in which it is said that there is a majority of alcohol related crime because of the aforesaid reasons.

Question 3(a) Do you agree that there should be no exemptions?

As our client is not in support of the late night levy then it follows that it would not wish to make any comments upon any exemptions. If a policy is adopted it would seem unfair to have exemptions particularly in the case of our client's hotel group where a hotel without a nightclub would not face the tax but one with a nightclub would be subject to the tax. Again, if there is to be a policy of exemptions then there would have to be clear evidence to suggest that those falling within the exempt category have no connection with the "alcohol related

crimes" those that fall outside the categories do have that link. As we have said above there is figure work or evidence to connect any of the alcohol related crime to any licenced premises.

Question 4

As our client is not in agreement with the levy then it would not seek to comment in detail on the small business rate relief scheme.

Again, it would seem unfair to penalise a large premises which has no alcohol related crime whatsoever whilst exempting from the tax, a small business which might be the source of significant alcohol related crime incidents.

Again, there is no evidence to support either contention.

Question 5

Our client does not agree with the imposition of the late night levy in the City of London and therefore cannot comment on whether there should be a 30% reduction in the levy payment for those meeting the requirements of the safety thirst award scheme.

If the City insists on imposing such a tax and it is clear to our client that those premises who are taking part in best bar none schemes or pub watch or business improvement districts should indeed be entitled to a reduction in a levy up to the maximum 30%.

Question 6

For the reasons given above, our client does not agree with the imposition of a levy and by implication is not agreeing with the allocation of resources to the police and to the local authority. The reasons for this are set out in the answer to question 1 above. Both organisations benefit from substantial income in excess of £100,000,000.00 per annum and it is not accepted that either organisation needs more money to police a problem that has not been proven on the face of the consultation document.

Question 7

For the reasons given above the levy is opposed and the allocation of monies for such a levy are also opposed.

In making a decision as to the levy the licensing authority must consider the costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the supply of alcohol and not public nuisance. The council's proposals seem to indicate that the allocation of money would be directed toward the employment of an officer to deal with noise nuisance in the evenings. Whilst the allocation of its share of the resources to a licensing authority maybe spent on matters involving public nuisance under the Late Night Levy (application administration) Regulations 2012 it is submitted that a more proper use

would be focused on crime and disorder which is the very reason why the levy would have been raised in the first place. Hence the reason for all the police crime figures contained within the consultation document.

To the extent that the licensing authority seeks to allocate its share of the proceeds to issues around public nuisance it is suggested that there is already schemes within the City Council area which contribute to this objective namely – “safety thirst”. The council should already have allocated reasonable resources to this project from its great levy in any event. As pointed out above the council receives an income of over £100,000,000.00 a year.

Question 8

It follows that if we do not agree with the imposition of a levy then we do not agree with the way in which the police will spend their portion of the levy.

In our respectful submission the evidence produced in the consultation document indicates no link between licenced premises within the Corporation of London and the perceived problem of “alcohol related crime”. Given that there is no evidence to establish that licenced premises are in the main the cause of alcohol related crime, it is submitted that there is no necessity for the funding of three additional police officers to this task. Officer time could be better spent and in reducing the on average 600 reported crimes per month within the corporation’s area related to anti-social behaviour, bicycle theft, burglary, crime damage and arson, drugs, thefts, possession of weapons, public order, robbery, shoplifting, theft from a person, vehicle crime and violence and sexual offences. For this the police budget is £104,000,000.00 per annum.

Question 9

We would invite the corporation to consider all the answers given above to the various questions and would suggest in conclusion that there is no requirement for a late night tax in this area imposed on 300 local businesses during a period of economic hardship and difficulty. It is out of all proportion to the rather questionable figures produced by the police in this respect. Those figures show about 500 so called “alcohol related crimes” in 24 months when there are on average 600 crime types reported every month in the City of London. Furthermore, the City of London police are in receipt of a substantial budgetary income of £104,000,000.00 per annum.

Finally, we sight the words used by Philip Colvin QC in his recent book “Licenced Premises: Law Practice and Policy” where he concludes unequivocally the follow:

“In most cases, the introduction of the levy will be an unnecessary, unfair, unprofitable and disproportionate bureaucratic intervention. There is little that the levy can achieve which is not obtainable by more effective and economic means.”

We would agree with those sentiments and concentrate particularly on the disproportionate element of Mr Colvin’s conclusion. If there are a few problem premises in the City of

London, which undoubtedly there are, then these may be dealt with through the existing licensing regime by way of intervention and review. It is, however, unfair to penalise the vast majority of the 300 businesses which act fully in accordance with the law and are not responsible for the alcohol related crimes reported.

Our client does not believe that a further tax on hard pressed businesses during an economic downturn such as the one we are experiencing is an inappropriate way forward. The extra taxation imposed on the 300 businesses all with licences after midnight will have a considerable impact upon all of those trading concerns. It should be remembered that the vast majority of those operating are very small businesses. This is not, therefore, a minor cost to business. It is many times the cost of premises licence to many of the businesses and it should always be remembered that all of these businesses particularly as large as our own clients contribute significantly through business rates to central government which eventually reverts back to the Corporation of London. The hotel also pays large sums in terms of security and other measures designed to ensure that the running the licenced premises does not conflict with the four licensing objectives.

Yours faithfully

Jeffrey Green Russell limited

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