

<b>Committee(s)</b>	<b>Dated:</b>
Licensing	01 February 2017
<b>Subject:</b> Late Night Levy – 12 Month Report (1 Oct 2015 – 30 Sep 2016)	<b>Public</b>
<b>Report of:</b> Director of Markets and Consumer Protection	<b>For Decision</b>
<b>Report author:</b> Peter Davenport - Licensing	

### Summary

A Late Night Levy has been operating within the City of London since 1 October 2014. This report looks at the second year of operation and details the number of premises that are paying the Levy, the income collected and how that money has been spent to date.

The evidence shows that almost as many premises at the beginning of the second Levy year were liable to pay the Levy due to their terminal hour for selling alcohol being after midnight, as at the beginning of the first Levy year.

The income collected has enabled the licensing service to continue with operating its unique risk scheme combined with Safety Thirst, a best practice scheme. The Police and cleansing service have been able to put additional resources into those areas that are affected by the night time economy directly affecting the levels of crime and disorder and public nuisance.

Although the Levy would need to operate for a minimum of a further year before the effects can be fully examined, the decrease in licensing hearings or reviews during the past twelve months is significant.

### Recommendation(s)

Members are asked to:

1. Agree that expenditure of the Levy continue in the areas set out in paragraph 15 with continued exploration into areas where the night time economy, within the scope of paragraph 13, may benefit from use of Levy income.
2. Agree that the final allocation of the Levy, apportioned for use by the City Corporation, to be decided by the Chairman and Deputy Chairman of the Licensing Committee in consultation with the Director of Markets and Consumer Protection.
3. Require officers prepare an annual account of the operation and effect of the Levy which is to be reported to the Licensing Committee.

## Main Report

### Background

1. The Police Reform and Social Responsibility Act 2011 introduced the power for licensing authorities to impose a Late Night Levy on those premises selling alcohol after midnight. The aim of the Levy is to empower local areas to charge businesses that supply alcohol late into the night for the extra costs that the night-time economy generates for police and licensing authorities.
2. On the 28 April 2014 this Committee considered a report on the introduction of such a Levy within the City of London and recommended to the Court of Common Council on 12 June 2014 that the Levy be adopted. The Levy was adopted and introduced within the City from 1 October 2014.
3. The Levy is applied to all premises selling alcohol after midnight between the hours of 00:01 and 06:00. Premises selling alcohol after midnight due solely to a condition permitting them to sell on New Year's Eve would still be liable to pay the Levy.

### Current Position

#### Premises liable

4. During the 1<sup>st</sup> levy year, 1 October 2014 to 30 September 2015, 308 premises paid the Levy. During the 2<sup>nd</sup> levy year, 1 October 2015 to 30 September 2016, 301 premises paid the levy. The slight decrease in numbers would appear to be those premises who have decided that there is no advantage to their business to stay open after midnight. Forecasts for 2016/17 would appear to be of a similar number to the 2<sup>nd</sup> levy year.

#### Generated Income

5. The amount of the Levy is prescribed nationally and is based on the premises rateable value. The annual charges for the Levy, and weekly equivalent, are:

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*)

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

6. During the 1<sup>st</sup> levy year the levy generated £445k. Of this, £25k was deducted for setting up/administering the scheme. 70% of the remaining money was given to the City of London Police (£294k) and 30% retained by the City Corporation (£126k).
7. During the 2<sup>nd</sup> levy year the scheme generated approximately £448k with a deduction for administration of £15k. 70% of the remaining money is to be given to the City of London Police (£303k) and 30% retained by the City Corporation (£130k).
8. Forecasts for the 3<sup>rd</sup> levy year, 1 October 2016 to 30 September 2017, would indicate a similar level of income to the previous two years i.e. in the region of £445k
9. The total amount collected and apportioned to the City Corporation, and to be collected over the next few months, is as follows:

<b>Levy Year</b>	<b>Collected £'000</b>	<b>Status</b>
Oct 14 – Sep 15	126	Actual
Oct 15 – Sep 16	130	Actual
Oct 16 – Mar 17 (part year)	40	Forecast
<b>TOTAL</b>	<b>296</b>	

#### Safety Thirst Scheme

10. Legislation permits a local authority to give a 30% discount off the Levy payment for those premises that participate in a best practice scheme. The scheme has to show why membership of it is likely to result in a reduction of alcohol-related crime and disorder, there is a requirement for active participation by scheme members and those members who do not participate appropriately can be removed from the scheme. The scheme currently used by the City Corporation is the Safety Thirst Scheme.
11. The Safety Thirst Scheme has been running for a number of years but was completely revamped in 2014 prior to the Levy being adopted. It lays down a set of criteria in a number of areas that premises either must meet or are expected to meet. Those premises meeting the 'must meet' criteria can join the scheme and receive a 30% discount in their Levy payments.
12. The number of premises achieving membership of the scheme during 2015 was 31 of which 26 sold alcohol after midnight. The number achieving membership in 2016 was 46 of which 40 sold alcohol after midnight. This number is expected to be increased further in 2017.

How has the Levy been spent?

13. The City Corporation are required to spend their allocation of levy money in specific areas 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

14. The City of London Police have no such restrictions as to what they can spend their allocation of the Levy on. However, it was indicated that the money would be used to fund additional work related to policing of the Night Time Economy.

15. Of the levy money apportioned to the City Corporation the following amounts have so far been spent:

Financial Year	Area of expenditure	Amount (£ '000s)
2015/16	Out of Hours Team	20
2015/16	Funding of Licensing Posts	30
2015/16	Cleansing	34
2016/17	Out of Hours Team	20
2016/17	Funding of Licensing Posts	39
2016/17	Cleansing	64
2016/17	Club Soda	30
	TOTAL	237

- Out of Hours Team. The team operate between 00:00 and 06:00 and can provide a rapid response to complaints relating to public nuisance – usually in the form of noise. In addition, the team are able to identify areas where, although no complaint has been received, problems do, or may exist. This information is fed back to the Licensing Service who are able visit the premises concerned and discuss ways in which problems can be avoided.
- Part funding of new posts. In order to help prevent problems occurring the City Corporation introduced a Risk Assessment Scheme whereby issues relating to premises carry a score which is recorded and used to identify where problems may occur. The Licensing Service and City Police are then able to meet with the premises and discuss ways in which problems can be avoided. The scheme was operated by staff with no means of sustaining their funding. Although the risk scheme is for all premises over 90% of those premises obtaining points sell alcohol after midnight. The scheme, along with the work of the City Police and others, has resulted in the number of licensing hearings reduced from approximately 17 per year to currently only 3/4 per year.

- Cleansing – Department of Built Environment provide a cleansing service through their term contractor Amey that is funded from the Night Time Levy. This service covers all areas of the City and operates Thursday to Sunday (inclusive) during the hours that the Night Time Levy is applicable.

The Night Time Levy team visit locations throughout the City, they 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 the Amey Environmental Managers to make sure the required standards are achieved.

During 2016/17 additional power washing will be carried out to clean areas particularly affected by the night time economy. The areas to be targeted are Cloth Fair (to include alleys beside public houses), East Cheap (to include Lovat Lane, Pudding Lane and Monument), Muscovy Street (to include Trinity Square, Minories and Aldgate), Bishopsgate Area and Leadenhall Street (to include Cornhill and Royal Exchange).

- Club Soda – Club Soda are an East London based startup helping people whether they want to drink more mindfully, or go alcohol-free. Club Soda offer online behaviour change tools, email programs, workshops and socials, and a supportive community.

Initial payments to the group have helped fund a guide for City Pubs where they can self-assess their performance in the provision of alternative drinking options. During the six month project, Club Soda will visit all venues in the City of London that sell alcohol after midnight. Certain aspects of the scheme will be dovetailed into the Corporation's Safety Thirst scheme.

16. A total of £237k has been spent or allocated to the end of March 2017. Regular discussions are in place between relevant parties in order to ascertain the best way in which the balance, and the ongoing income in future levy years, can be used. This will include consultation with the levy payers.

17. Details of the City of London police expenditure can be seen as Appendix 1.

### **Corporate & Strategic Implications**

18. The proposals within this report will meet one of the overriding objectives contained within the service's business plan namely to 'Oversee the operation of a Late Night Levy'.

## **Implications**

19. Any money retained by the City Corporation from the Levy income must be spent on the areas referred to in paragraph 13, although it does not have to be spent in the same Levy year in which the income was generated.
20. Any expenditure in excess of the income received would need to be met from existing local risk budgets.

## **Conclusion**

21. The number of premises paying the Levy has not reduced significantly in year two.
22. Forecasts for the third Levy year (1 October 2016 to 30 September 2017) are not likely to be significantly less than in years one and two.
23. With Police achieving results which are likely to directly reduce the incidence of crime and disorder, and the number of hearings heard by the Licensing Committee being drastically reduced, it would appear that the Levy money is having a positive effect. However, it is still too early to fully review the scheme and a greater understanding of the success or otherwise should be available after a further year.

## **Appendices**

- Appendix 1 – Police Expenditure

## **Background Papers**

Report to Licensing Committee 11 July 2016: 'Late Night Levy – Interim Report.'

Home Office 'Amended Guidance on the Late Night Levy ' – 24 March 2015

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