

Committee(s)	Dated:
Licensing	23 May 2022
Subject: Late Night Levy – 12 Month Report (1 Oct 2020 – 30 Sep 2021)	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,2,12
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: Juliemma McLoughlin – Executive Director Environment	For Noting
Report author: Peter Davenport – Licensing Manager	

Summary

A Late Night Levy has been operating within the City of London since 1 October 2014. This report looks at the seventh 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 remains that, despite the pandemic, a similar number of premises were liable to pay the Levy at the beginning of the eighth levy year, due to their terminal hour for selling alcohol being after midnight, as at the beginning of the first levy year.

The income collected enables the licensing service to continue with operating its unique risk scheme and, although put on hold for two years during the pandemic, its best practice scheme (Safety Thirst). The Police and Environment Department’s 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.

Recommendation(s)

Members are asked to:

1. Note the contents of this report.

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. In the April 2014 report to this Committee there were 308 premises that paid the levy during the first levy year. During the seventh levy year (October 2020 to September 2021) 365 premises were subject to the levy. This would appear to indicate that the Late Night Levy is not a deterrent to those premises wishing to operate after midnight from doing so.
5. Once agreed by the Licensing Authority, the collection of the levy is mandatory and failure to pay must result in a suspension of the licence. During the pandemic, whilst entertainment premises were closed, the levy was still liable, and we had no discretion with regards its collection. The City Corporation, along with many other local authorities, lobbied the Home Office for legislation to permit the levy to be waived during this period without success.
6. We were mindful of the issues this could cause some businesses during the period that they were not permitted to trade, and delayed suspensions ('soft suspensions') and put payment schemes into place.

Generated Income

7. The amount of the levy is prescribed nationally and is based on the premises rateable value. The annual charges for the levy, and weekly equivalents, are:

Table 1: Levy Payable by Premises

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)

8. The total amount collected in the seventh levy year, and the apportionment between administration costs, the City Police and the City Corporation, is shown in Table 2 below. Income from the levy during year seven is a little lower than in previous years although this can be attributed to the 'soft suspensions' that were put in place with income still being recovered, and premises on payment plans which are due to finish during the current levy year. The previous three levy years are shown for comparative purposes.
9. Income for the first half of the eighth Levy Year (Oct 2021 – Mar 2022), is broadly in line with the same period as in previous years.

Table 2: Levy Income and Apportionment by Levy Year

Levy Year	Total Collected £000	Admin Cost £000	Police Share (70%) £000	City Share (30%) £000
4 (Oct 17 – Sep 18)	438	15	296	127
5 (Oct 18 – Sep 19)	462	15	313	134
6 (Oct 19 – Sep 20)	448	15	303	130
7 (Oct 20 – Sep 21)	410	15	276	119
8 (Oct 21 – Mar 22) (part year)	129	5	87	37

Safety Thirst Scheme

10. Legislation permits a local authority to give a 30% discount on 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 2019 was 72 of which 64 were subject to the Levy. The scheme was put on hold during 2020 and 2021 and is in the process of being updated ready for introduction later during 2022. During the period the scheme was suspended, those premises achieving membership during 2019 continued to receive the 30% discount on their levy payments.

How the Levy has been spent – City Corporation

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. Since the late-night levy was introduced in 2014 the total amount collected to date is as follows:

Total collected	£3,254,000
Administration costs	£120,000
Police share of levy	£2,193,000 (70% minimum statutory share)
City Corporation share	£941,000

15. Since the late-night levy was introduced in 2014 the total amount spent by the City Corporation is as follows:

Total Spent	£840,000
Unspent balance	£101,000
Total:	£941,000

16. Of the total levy funds apportioned to the City Corporation during 2021/22 the following amounts have so far been spent or committed. The previous three years have been shown for comparative purposes.

Table 3: City Corporation Levy Expenditure to 31 March 2022*(Expenditure shown in terms of financial years)*

Financial Year	Area of expenditure	Cost £000	
2018/19	Out of Hours Team	20	
	Funding of Licensing Posts	45	
	Cleansing	34	
	Additional Cleansing	28	
	Club Soda	18	
	Night Time Economy Review	10	
	Total 2018/19		
2019/20	Out of Hours Team	28	
	Funding of Licensing Posts	50	
	Cleansing	34	
	Community Drugs Safer Nightlife	10	
	Total 2019/20		
2020/21	Out of hours Team	41	
	Funding of Licensing Posts	55	
	Cleansing	18	
	Total 2020/21		
2021/22	Out of hours Team	41	
	Funding of Licensing posts	58	
	Cleansing	38	
	Total 2021/22		

- 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 – 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 can visit the premises concerned and discuss ways in which problems can be avoided.
- b) Part funding of Licensing Team posts. In order to help prevent problems occurring the City Corporation introduced a Risk Assessment (Traffic Light) Scheme whereby issues relating to premises carry a score which is recorded and used to identify where problems may occur. The Licensing Service, City Police and any other concerned service are then able to meet with the premises and discuss ways in which problems can be avoided. In addition, the Licensing Team operate a Safety Thirst scheme which ensures premises meet standards laid down in the Corporation's licensing code of conduct for which they receive a 30% discount off the Late Night levy if applicable. The scheme was previously operated by staff with no means of sustaining their funding. Although the risk and traffic light schemes are for all premises, over 90% of them 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 visits 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) Community drugs - Safer Nightlife.

Safer Nightlife was produced by the London Drug and Alcohol Policy Forum (which was core funded by the City of London Corporation) in May 2008. Safer Nightlife remains the nationally recognised best practice guidance on how venues should deal with drug and related issues, despite it now being 10 years old. However, certain aspects, including new legal powers and changes in patterns of drug use mean that it is due for revision. Developments in technology also provide fresh opportunities in terms of making the material accessible via mobile phones and tablets. The funding was agreed to research, revise and redraft the guidance and design and produce the website which went live in 2020.

17. Much of the unspent balance, which had accrued prior to the pandemic, had been allocated to a number of schemes which were suspended due to the pandemic.
18. Regular discussions are in place between relevant parties in order to ascertain the best way in which this balance, and the ongoing income in future levy years, can be used. This will include consultation with the levy payers.

How the Levy has been spent – City of London Police

19. Unlike the City Corporation, the City of London Police does not have restrictions as to what they can spend their allocation of the levy on. However, it has been indicated that the money would be used to fund additional work related to policing of the night-time Economy
20. A Late Night Levy Planning Board (LNLPB) meets quarterly to discuss levy spend by the Police and to co-ordinate expenditure between the police and the City Corporation.

21. LNLPB meetings are 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.
22. The governance of this meeting replaces the requirement for requests for levy funds to go to Force Tasking for approval. Until further notice, the management, accounting and allocation of monies will be carried out by the City Corporation, once approved by the LNLPB.
23. Details of the City of London police levy expenditure can be seen as Appendix I.

Corporate & Strategic Implications

24. The proposals within this report will help to meet one of the aims contained within the Corporate Plan 2018-23 namely to 'Contribute to a Flourishing Society' by way of making people safe and feel safe.

Implications

25. 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.
26. Any expenditure in excess of the income received would need to be met from existing local risk budgets. The pandemic resulted in several premises closing, some opening within the past few months and paying the outstanding levy for previous years in one lump sum, some paying the outstanding levy in instalments and the occasional premises refusing to pay at all and being dealt with under our enforcement procedure.

Conclusion

27. The number of premises paying the Levy has not reduced significantly since year one.
28. Forecasts for the eighth levy year (1 October 2021 to 30 September 2022) are that income is likely to be maintained at a level similar to previous years.
29. With Police achieving results which are likely to directly reduce the incidence of crime and disorder, it would appear that the Levy money is continuing to have a positive effect on the night-time economy.

Appendices

I - Police expenditure

Background Papers

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

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