

Committee(s): Licensing Committee	Dated: 02/02/2023
Subject: Late Night Levy – 12 Month Report (1 Oct 2021 – 30 Sep 2022)	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 Information
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Summary

A late-night levy has been operating within the City of London since 1 October 2014. This report looks at the eighth 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.

Evidence shows the number of premises liable to pay the levy at the beginning of the eighth levy year, due to their terminal hour for selling alcohol being after midnight, has increased since the first levy year. The levy is therefore not a barrier to incoming and expanding businesses in the City’s night-time economy.

Income from the levy is used to support the management of the night-time economy. It enables the Licensing service to operate its unique risk scheme and its best practice accreditation scheme (Safety Thirst). It is also used by the Environment Department’s Cleansing service and City Police to provide additional resources and targeted support in managing the night-time economy and any alcohol related crime and disorder, anti-social behaviour, and public nuisance.

Recommendation(s)

Members are asked to:

- Note the 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 in 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. This includes premises that only sell alcohol after midnight on limited occasions such as New Year's Eve.

Current Position

Premises Liable

4. In October 2014, when the levy was introduced in the City, there were 308 premises subject to the levy. During the eighth levy year (October 2021 to September 2022) 367 premises were subject to the levy. This indicates that the Late-Night Levy is not a barrier to incoming and expanding businesses wanting to sell alcohol after midnight in the City.
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.

Generated Income

6. 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)

7. The total amount collected in the eighth levy year, and the apportionment between administration costs, the City Police and the City Corporation, is shown in Table 2 below. The previous three levy years are shown for comparative purposes, along with the projected income for the first half of the ninth Levy Year.

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
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 – Sep 22)	390	15	263	112
9 (Oct 22 – Mar 23) (part year)	129	5	87	37

8. Income from the levy during year eight is a little lower than in previous years. This can be attributed to (a) short-term pandemic effects as hospitality premises were gradually reopening throughout 2021-22 and income is consistent with the trade operating at approximately 70% of pre-pandemic levels at the time, and (b) a backlog of invoicing in 2022. It is expected that the income will be recovered during the ninth levy year and the average over levy years eight and nine will be on par with previous years.
9. 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 must 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 accreditation scheme (the scheme).
10. The scheme has been running for many years but was completely revamped in 2014 prior to the levy being adopted. It lays down a set of criteria drawn from the City's Code of Good Practice for Licensed Premises, covering the four licensing objectives that premises must meet to join the scheme. Members of the scheme receive a 30% discount in their levy payments.
11. The number of premises achieving membership of the scheme during 2019 was 72 of which 64 were subject to the levy. Annual assessments for continued membership of the scheme were suspended during the pandemic and reopening/recovery period between 2020 and 2022, during which time, those premises achieving membership during 2019 continued to receive the 30% discount on their levy payments. The scheme will be relaunched in the spring of 2023 and assessments will resume thereafter.
12. 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.

13. Since the late-night levy was introduced in 2014 the total amount collected (as projected to 31 March 2023) is as follows:

Total collected	£3,645,000
Administration costs	£135,000
Police share of levy	£2,457,000 (70% minimum statutory share)
City Corporation share	£1,053,000

14. Since the late-night levy was introduced in 2014 the total amount spent by the City Corporation (as projected to 31 March 2023) is as follows:

Total Spent	£983,000
Unspent balance	£70,000
Total:	£1,053,000

15. The City's current annual committed spend exceeds the forecast annual income. This is due to a combination of inflation price increases, and the City Corporation supporting the Police led partnership initiative Operation Reframe, described in more detail at paragraph 20 below. Over time, this will use up the City's unspent balance.

16. Of the total levy funds apportioned to the City Corporation during 2022/23 the amounts shown in Table 3 overleaf 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 2023

(Expenditure shown by financial year)

Financial Year	Area of expenditure	Cost £000	
2019/20	Out of Hours Team	28	
	Funding of Licensing posts	50	
	Cleansing	34	
	Community Drugs Safer Nightlife	10	
	Total 2019/20		122
2020/21	Out of Hours Team	41	
	Funding of Licensing posts	55	
	Cleansing	18	
	Total 2020/21		114
2021/22	Out of Hours Team	41	
	Funding of Licensing posts	58	
	Cleansing	38	
	Total 2021/22		137
2022/23	Out of Hours Team	41	
	Funding of Licensing posts	58	
	Cleansing	38	
	Supporting Operation Reframe	5	
	Total 2022/23 (projected)		142

17. 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. In addition, the team can 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.

18. Part funding of Licensing Team posts. To mitigate problems occurring in the night-time economy, the City Corporation introduced a risk (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. In addition, the Licensing team operate a Safety Thirst scheme which ensures premises meet standards laid down in the Corporation's licensing code of practice 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.

19. 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.

- a) 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.
- b) 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

20. Operation Reframe. Operation Reframe is a City Police led partnership approach to facilitate the night-time economy by providing a high visibility presence, with the goal of make people feel safe in the City of London, in line with 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 Corporation has provided resources to assist City Police during Operation Reframe partnership evenings in the form of staff experienced in licensing and environmental health.

How the Levy has been spent – City of London Police

21. Unlike the City Corporation, the City of London Police does not have restrictions on how they can spend their allocation of the levy. However, it has been indicated that the money would be used to fund additional work related to policing of the night-time economy.
22. 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.
23. 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.
24. The governance of this meeting replaces the requirement for requests for levy funds to go to Force Tasking for approval.

Corporate & Strategic Implications

25. The proposals in 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.
26. 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

27. Any money retained by the City Corporation from the levy income must be spent on the areas referred to in paragraph 12, 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

Conclusion

28. The number of premises paying the levy has increased since year one.
29. Forecasts for the eighth and ninth levy years (1 October 2021 to 30 September 2023) are that on average income is likely to be maintained at a level similar to previous years.
30. With Police achieving results which are likely to directly reduce the incidence of alcohol related crime and disorder, the levy money is continuing to have a positive effect on the night-time economy.

Appendices

- none

Background Papers

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

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