

City of London Corporation Committee Report

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| Committee(s): Licensing Committee | Dated: 06/02/2025 |
| Subject: Late Night Levy – 12 Month Report (1 Oct 2023 – 30 Sep 2024) | Public report: For Information |
| This proposal: <ul style="list-style-type: none"> • provides statutory duties | Licensing authority duty under the Police Reform and Social Responsibility Act 2011 (as amended by the Policing and Crime Act 2017) to publish information about how revenue raised from late night levy is spent. |
| Does this proposal require extra revenue and/or capital spending? | No |
| 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: | Katie Stewart, Executive Director of Environment |
| Report author: | Aggie Minas, Licensing Manager |

Summary

A late-night levy ('the levy') has been operating within the City of London since 1 October 2014. This report looks at the tenth year of operation, setting out the number of premises paying the levy, 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 tenth levy year, due to their terminal hour for selling alcohol being after midnight, remains the same as 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 charge a levy to premises that are licensed to sell alcohol after midnight in the authority's area, as a means of raising a contribution towards the costs of policing the late-night economy.
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 tenth levy year (October 2023 to September 2024) 303 premises were subject to the levy (down from 310 premises in year nine). This indicates that the levy is not a barrier to incoming and expanding businesses in the City wanting to sell alcohol after midnight.
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 set out in the table overleaf:

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 tenth 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 eleventh 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 |
|----------------------------------|-------------------------|--------------------|-------------------------------|-----------------------------|
| 7 (Oct 20 – Sep 21) | 410 | 15 | 276 | 119 |
| 8 (Oct 21 – Sep 22) | 390 | 15 | 263 | 112 |
| 9 (Oct 22 – Sep 23) | 458 | 15 | 310 | 133 |
| 10 (Oct 23 – Sep 24) | 436 | 15 | 295 | 126 |
| 11 (Oct 24 – Mar 25) (part year) | 173 | 5 | 118 | 50 |

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 'soft' approach to licence suspensions during the pandemic, allowing premises additional time to pay their annual fees. As a result, some of that income was recovered during the ninth levy year, resulting in the increase in income between levy years eight and nine.
9. Income from levy year ten has returned to a level comparable to pre-pandemic income.

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 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).

11. 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.

12. The number of premises achieving membership of the scheme during 2024 was 75 of which 68 were subject to the levy.

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 (as projected to 31 March 2025) is as follows:

| | |
|------------------------|--|
| Total collected | £4,582,000 |
| Administration costs | £165,000 |
| Police share of levy | £3,091,000 (70% minimum statutory share) |
| City Corporation share | £1,326,000 |

15. Since the late-night levy was introduced in 2014 the total amount spent by the City Corporation (as projected to 31 March 2025) is as follows:

| | |
|-----------------|------------|
| Total Spent | £1,217,000 |
| Unspent balance | £109,000 |
| Total: | £1,326,000 |

16. 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 21 below. Over time, this will use up the City's unspent balance.

17. Of the total levy funds apportioned to the City Corporation during 2024/25 the amounts shown in Table 3 below 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 2025

(Expenditure shown by financial year)

| Financial Year | Area of expenditure | Cost £000 | |
|----------------------------------|------------------------------|----------------------|------------|
| 2021/22 | Out of Hours Team | 41 | 137 |
| | Funding of Licensing posts | 58 | |
| | Cleansing | 38 | |
| | Total 2021/22 | | |
| 2022/23 | Out of Hours Team | 41 | 128 |
| | Funding of Licensing posts | 45 | |
| | Cleansing | 38 | |
| | Supporting Operation Reframe | 1 | |
| | Urillifts | 3 | |
| Total 2022/23 | | | |
| 2023/24 | Out of Hours Team | 41 | 105 |
| | Funding of Licensing posts | 23 | |
| | Cleansing | 38 | |
| | Supporting Operation Reframe | 3 | |
| Total 2023/24 | | | |
| 2024/25 | Out of Hours Team | 41 | 143 |
| | Funding of Licensing posts | 55 | |
| | Cleansing | 42 | |
| | Supporting Operation Reframe | 5 | |
| Total 2024/25 (projected) | | | |

18. **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.

19. **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 participating premises sell alcohol after midnight.

20. 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
21. **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

22. 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.
23. 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.

24. 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.
25. The governance of this meeting replaces the requirement for requests for levy funds to go to Force Tasking for approval.
26. Details of the City of London Police levy expenditure can be seen as Appendix 1.

Engagement with premises paying the Late-Night Levy

27. An information leaflet for licensed premises who contribute to the late-night levy will be printed by the Licensing Service, setting out how levy income has been invested in policing and managing the Corporation's nighttime economy. The leaflet will be circulated to members and delivered to all levy-paying premises by end of March 2025. It will offer trade representatives an opportunity to feedback to the City Corporation their views on future spend.
28. The Licensing Service presents at and engages with licensees at the annual City Police Licensing Forum. At these forums, the Licensing Service covers a range of licensing topics, including late night levy spend and guidance on how licensees can participate in the City Corporation's approved Safety Thirst accreditation scheme that enables a 30% discount on the levy. Late-night levy spend will remain an active item on the agenda and will always seek feedback from those who contribute to the levy on how the levy should be spent.

Corporate & Strategic Implications

29. **Vibrant Thriving Destination:** The proposals in this report will help to meet the aims contained within the Corporate Plan 2024-29 by attracting businesses and people to a safe, secure, and dynamic location. Providing resources to manage the nighttime economy reduces the risk of crime and anti-social behaviour, creating a safe environment for people to socialise in. the proposals also align with the government's aims in tackling violence against women and girls.
30. **Providing Excellent Services:** Protecting and promoting public safety and consumer protection at licensed premises.

Financial implications

31. 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. Any expenditure in excess of the income received would need to be met from existing local risk budgets.
32. **Resource implications** : none identified
33. **Legal implications** : none identified

34. **Risk implications:** none identified

35. **Equalities implications** – none identified

36. **Climate implications:** none identified

37. **Security implications:** none identified

Conclusion

38. The number of premises paying the levy remains broadly the same as year one.

39. Forecasts for the eleventh levy year (1 October 2024 to 30 September 2025) are that income is likely to be maintained at level to that achieved in 2023-2024.

40. 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

- Appendix 1 – Police Expenditure

Background Papers

[Home Office 'Amended Guidance on the Late-Night Levy' – 13 July 2023.](#)

[City Corporation Late Night Levy Report 23 April 2024](#)

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