

Committee(s)	Dated:
Licensing	11 07 2016
Subject: Late Night Levy – Interim report	Public
Report of: Director of Markets and Consumer Protection	For Decision
Report author: Peter Davenport - Licensing	

Summary

A Late Night Levy has been operating within the City of London since 1 October 2014. A report detailing the first year of operation went to your Committee on 3 February 2016.

On 27 April 2016 your Committee requested a report detailing the expenditure of the Levy to date and plans for spending the remainder of any Levy money accrued to the end of March 2017.

This report details the income collected to date, and forecast to be collected over the next nine months, covering a total period of thirty months. Details in the three areas of expenditure to date are given namely, part funding of a staff member in the licensing team, additional cleansing costs and funding of an out of hours team.

This report also considers areas for future expenditure including an alcohol recovery centre, taxi marshalling and support for 'Club Soda' and assistance with the introduction of their non-alcoholic drink 'nudging pubs' idea.

Recommendation(s)

Members are asked to:

1. State their preferences as to how they would like the Levy money to be spent, either from options given in the report or otherwise.
2. Say which of the three funding alternatives given in paragraph 10 they prefer if the Alcohol Recovery Centre was to be a considered an option.

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. The Levy is applied to all premises selling alcohol after midnight between the hours of 00:01 and 06:00. As at 24 June 2016, 308 premises were liable to pay the Levy by virtue of the fact that their terminal hour for the sale of alcohol permitted them to sell alcohol after midnight.

Generated Income

3. 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)*

4. The City Corporation are required to spend their allocation of the Levy 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

5. The total amount collected and apportioned to the City Corporation, and to be collected over the next few months, is as follows:

Levy Year	Collected £'000	Status
Oct 14 – Sep 15	126	Actual
Oct 15 – Sep 16	126	Forecast
Oct 16 – Mar 17 (part year)	40	Forecast
TOTAL	292	

6. The figures above are net figures after the Police portion and administration costs have been deducted. The six monthly income figure for 2016/17 is less than 50% of the annual figure as income is received disproportionately throughout the year. The final levy year forecast for 2016/17 is not expected to be any different than for previous years.

What has the money been spent on?

7. Any Levy money spent to date by the City Corporation are in the following three areas:

- **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 (temporary) posts.** In order to 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.

Linked with this scheme is the Safety Thirst scheme which has increasingly been the responsibility of the licensing team to operate. The 2016 scheme is operated solely by the licensing team.

Although the risk and safety thirst schemes are for all premises over 90% of those premises, either obtaining points on the risk scheme or achieving the safety thirst award, sell alcohol after midnight.

- **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.

8. The following sums have been spent, or are likely to be spent, by the end of March 2017:

Item	Financial Year	
	2015/16 £'000	2016/17 £'000
Out of hours team	20	20
Part funding of licensing post	30	39
Cleansing	34	34
TOTAL	84	93

Summary of money spent to date

9. Therefore, a total of £177k has been spent, or programmed to be spent, by the end of March 2017. This will leave a total unspent of approximately £115k.

Future expenditure

10. Various suggestions have been made by interested parties as to future expenditure. These include:

- **Taxi Marshalls.** The scheme has been in operation jointly funded by TFL (Friday nights) and the Community Safety Team (Thursday and Saturday nights) and covers the rank in Bishopsgate. Due to a reduction of income the Community Safety Team can no longer fund this project. Costs would be in the region of £15k per night of cover i.e. £30k in any one year for both Thursday and Saturday.

Further discussion would need to be held with the Police as to the continued effectiveness of this project as the increase in usage of the Uber 'application' would seem to have reduced rank size. Any funding could be joint with the Police.

- **Alcohol Recovery Centre (ARC).** Previous funding for this project has now ceased and the licensing team have been informed by Community Safety that, as in the run up to Christmas 2015, there will be no ARC this

year. The ARC is a mobile unit which can be situated wherever the need is greatest. It allows those persons who are suffering from the effects of alcohol to spend time recovering before they recommence their journey home.

As above, discussion as to the centre's effectiveness would have to be held with the Police and funding would be from a number of sources, not just the Levy. Total costs to be met from all funding sources range from:

Option One -10 nights at £50k (Thursday and Friday every week in the month leading up to Christmas and New Year)

Option Two – 22 nights at £110k (Every weekday in the month leading up to Christmas and New Year)

Option Three - 13 nights at £65k (Same as option one except for every weekday in the final week before Christmas)

- **Club Soda.** Following a presentation to this Committee on 27 April 2016 by Club Soda, it was the general view of Members that the projects they were running were in line with licensing principles around sensible drinking and choice.

Discussion would need to take place with club soda to ascertain the precise nature of projects they could run in the City of London which would involve working with licensed premises with a view to increasing their range of soft drink options. Costs would be in the region of £8k to £12k.

Corporate & Strategic Implications

11. 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

12. Any money retained by the City Corporation from the Levy income must be spent on the areas referred to in paragraph 4, although it does not have to be spent in the same Levy year in which the income was generated.
13. Any expenditure in excess of the income received would need to be met from existing local risk budgets.

Background Papers

Report to Licensing Committee 03 February 2016

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

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