

**Appendix Seven**  
**Late Night Levy – proposed consultation**

**Guidance on the consultation and your responses to this licensing review**

The consultation covers the introduction of a late night levy  
At the end of each section, there are questions on which we are seeking your comments  
The closing date for responses will be the XXXXX

**How to respond**

There are a number of ways you can respond the consultation –  
Responses can be made either:

By email to: [licensing@towerhamlets.gov.uk](mailto:licensing@towerhamlets.gov.uk)

By post to: Environmental Health & Trading Standards,  
London Borough of Tower Hamlets  
Town Hall  
Clove Crescent  
London  
E14 1BY

Or by completing the online form which can be found at: XXXXXXXXXXXX

**Freedom of information statement**

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (such as the Freedom of Information Act 2000 and the Data Protection Act 1998 (DPA)). If you want information that you provide to be treated as confidential, please explain to us why you regard the information as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. We will process your personal data in accordance with the DPA and in most circumstances this will mean that your personal data will not be disclosed to third parties.

## Late night Levy

### Background Information

The purpose of the Levy is to assist Councils and the police manage and improve the night time economy. The money can be used for a range of things and can be given to other agencies where they can assist in the reduction of crime and disorder or improve the night time economy.

This is a discretionary power for Councils to require a fee from premises that sell alcohol between midnight and 6am. The council can decide what times the levy will operate (e.g. the levy could be imposed on premises that operate between midnight and 6am).

If introduced, the levy will apply to any licensed premises that sells alcohol that operates within the set times of the levy. The Council does not have the power to limit the levy to certain parts of the Borough.

It would apply to alcohol sales on or off premises.

The Council must consider the desirability of introducing a levy in relation to the costs of policing and other arrangements for the reduction of prevention of crime and disorder, in connection with the supply of alcohol consumption between midnight and 6am.

### How can the money be used?

The net levy revenue must be split between the Council (30%) and the Mayor's Office for Policing and Crime, however, it is proposed that the levy is allocated to Tower Hamlets through the current Community Safety Partnership.

### How much will licensees pay?

The levy is dependent on the rateable value of the premises and the levy amounts are set by the Government.

Table 1: Cost of Levy to each Rateable value

| <b>Rateable Value</b> |                    | <b>Annual Levy</b> | <b>Cost per week</b> |
|-----------------------|--------------------|--------------------|----------------------|
| Band A                | Nil - £4,300       | £299               | £5.75                |
| Band B                | £4,301-£33,000     | £768               | £14.76               |
| Band C                | £33,001-£87,000    | £1,259             | £24.21               |
| Band D                | £87,001-£125,000   | £1,365 * (£2,730)  | £26.25 (£52.50)      |
| Band E                | £125,001 and above | £1,493 * (£4,440)  | £28.71 (£85.38)      |

\*Those that are band D or E where the main use is the sale for consumption on the premises will pay an additional fee.

Most premises in Tower Hamlets are rated as band B or C.

Every licensed premise, with the ability to open between the times set by the Council, will have to pay the levy. The Council has discretion to either exempt or allow a reduction in the amount of levy in some specific cases. This consultation lists all the possible exemptions and reductions and explains the current proposal and whether they will be used.

### **How much money will the late night levy raise?**

The final amount is difficult to estimate but will depend on:

- What time the levy will start (midnight or 1am or later?)
- How many premises will be open during the late night period
- Which exemptions and reductions will be applied by the council

Due to the number of potential exemptions or reductions and the trade amending their operating hours, it is difficult to provide an exact income if the levy is introduced. Theoretically it may range from £20,000 to £450,000 per year subject to all of these variables.

### **Will there be a transition period and when will it start?**

The levy must be approved by the Council who will agree when it should start and any transition periods.

Any licensee who wishes to amend their license and reduce the operating hours to before the time set for the levy can do so via a free minor variation. We propose a 3 month period for these free variations will be provided.

### **How will the levy be collected?**

The Council will collect the levy at the same time as the licence annual fee

### **What happens if a licence doesn't pay?**

The money can be recovered as a civil debt, but it would also result in the premises licence being suspended; this scenario would mean that the business could not operate until the levy has been paid.

### **Will the need for the levy be reviewed?**

All aspects of the levy will be reconsidered at least every five years to ensure that the policies are still appropriate

## **LATE NIGHT LEVY CONSULTATION**

### **USE OF THE LEVY MONEY**

The Council can recover all costs associated with the administration of the levy system. These are the costs that the Council incurs with the introduction or variation, administration, collection and enforcement of the levy.

The amount left over (the net levy revenue) must be split between the Council and the Mayor's Office of Policing and Crime (MOPAC) but MOPAC must receive at least 70%.

The Council is restricted as to what it can use the funds for; it must be used to fund services that it provides to tackle late night alcohol-related crime and disorder and services connected to the management of the night-time economy.

### **Proposal**

It is proposed that the net amount collected is initially allocated on the 70/30 split, but it is to be held in a central trading account. The allocation of this funding is then managed by the Community Safety Partnership. This team has responsibility for liaison with the both public and voluntary sector on community safety issues, which will provide transparency and will allow greater flexibility in the use of the funds from year to year.

### **How will the money be spent?**

We wish to seek views on the use of levy funds. Possible ideas that could be considered by the Partnership include:

- Taxi Marshalls
- Street Pastors
- Street Cleaning
- Enforcement Initiatives – Night time enforcement officers
- Personal Safety Initiatives
- Health Care Facilities
- Additional Police or private security
- Financial support could be provided to assist schemes that promote improved management of licenced premises, such as Best Bar None or Pub watch

### **THE LATE NIGHT SUPPLY PERIOD**

The late night supply period must begin at or after midnight, and end at or before 6am. Only premises that are authorised to sell or supply alcohol within that period are subject to the levy. Within those parameters, the council has the discretion to actually set the period, but it must be the same every day.

### **Proposal**

The Council proposes to set the late-night supply period to run from midnight to 6am. It is considered that all premises opening during this impact on the need for additional resources to address the consequences of the late night economy and so should contribute to the costs incurred by the Police and the Council.

### **EXEMPTIONS FROM THE LEVY**

There may be some premises which the Council feels should not have to pay the levy. The categories of premises that can be exempt are set in regulations.

The following premises may be allowed an exemption:

**Premises with overnight accommodation**

This exemption does not apply if alcohol is served during the late night supply period to members of the public who are not staying overnight

**Proposal**

EXEMPT: It is not considered that these premises contribute significantly to the detrimental effects of the late night economy.

**Theatres and cinemas**

This exemption applies if alcohol is served during the late night supply period only for consumption on the premises to ticket holders, participants in the production or invited guests to private events; they must be bona-fide theatres or cinemas and the sale of alcohol must not be their primary purpose.

**Proposal**

EXEMPT: It is not considered that these premises will contribute significantly to the detrimental effects of the late night economy

**Bingo Halls**

These premises must have licenses under the Gambling Act 2005 and the playing of bingo must be the primary activity.

**Proposal**

EXEMPT: It is not considered that these premises will contribute significantly to the detrimental effects of the late night economy.

**Community Amateur Sports Club**

These are clubs registered as Community Amateur Sports Clubs that are entitled to various tax concessions including relief from business rates.

**Proposal**

EXEMPT: The type of premises covered by CASC range from table tennis, cricket to rugby. Overall it is not considered that these premises will contribute significantly to the problems of the late night economy and their exemption will have minimal impact on the levy.

**Community Premises**

These are premises that form part of the church hall, chapel hall, village hall, parish hall, community hall or other similar buildings.

**Proposal**

EXEMPT: It is not considered that these premises will contribute significantly to the detrimental effects of the late night economy.

**Country Village Pubs**

These pubs are solely designated in rural settlements, with a population less than 3000

**Proposal**

NOT TO BE EXEMPT: Currently, we do not believe there are any such premises within Tower Hamlets

**Business Improvement Districts (BIDS)**

These premises are within a BID, which are subject to the BID levy and where the purpose for which the BID arrangements were established, included purposes which are likely to result in the reduction or prevention of crime and disorder in relation to the supply of alcohol between midnight and 6am

**Proposal**

NOT EXEMPT: There are currently no BID in Tower Hamlets

**New Year's Eve**

Relating to premises which are authorised to sell alcohol between midnight and 6am, ONLY on New Year's Day.

**Proposal**

EXEMPT: The operation of licensed premises beyond midnight on only one day in each year will have minimal impact on the overall operation and costs of the late night economy. If there is no exemption, licensed premises will need to apply for a temporary event notice, which will not attract any levy and will add administrative burdens on businesses and the Council to process these applications.

**Reductions from the levy**

The council can allow a 30% reduction of the levy for two types of premises; there can only be one reduction even for premises that fall within both categories.

**Small business rate relief**

A reduction can be granted in respect of premises that only supply alcohol for consumption on the premises, where the rateable value is £12000 or less, and which receive Small Business Rate Relief.

**Proposal**

NOT TO PROVIDE A REDUCTION: These premises receive business rate relief to assist in their viability; however, if they operate in the late night period, there is no reason to suggest that they are less likely than similar businesses to contribute to the detrimental effects of the late night economy. Due to their size they are more likely to be liable to the lower levy amounts.

**Members of business-led best practice schemes**

A reduction can be granted in respect of premises that participate in business led best practice schemes, such as The Best Bar None scheme. In this way, the levy can be used to promote and support participation in such schemes. The scheme has to comply with benchmarks specified in regulations and statutory guidance.

**Proposal**

CONDITIONAL REDUCTION: for The Best Bar None scheme, that raise standards will be beneficial to the management of the late nigh economy. It is essential that any scheme has robust and stringent standards with disciplinary mechanisms to remove non-compliant businesses.

**HOW AND WHEN WOULD WE INTRODUCE THE LATE NIGHT LEVY?**

It is proposed that licenses are given 3 months to apply for their free minor variation to reduce licensed hours to avoid late night levy.

In order to allow for the consultation, adoption and transition process to be followed it is considered that the earliest date for implementation would be XXXXXX

**Consultation Form**

**We would like your views on the following  
The late night levy consultation**

|   |                              |                             |
|---|------------------------------|-----------------------------|
| Do you believe it is appropriate for the council to introduce the levy? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Do you agree with premises that obtain the Best Bar None Award          | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

|   |                              |                             |
|---|------------------------------|-----------------------------|
| being given a 30% reduction on the levy?        |                              |                             |
| Do you agree the Levy should start at midnight? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

**Do you agree with the proposed exemption and reductions?**

|   |                              |                             |
|---|------------------------------|-----------------------------|
| Premises with overnight accommodation?<br>Proposal: EXEMPT  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Theatre and cinemas<br>Proposals: EXEMPT  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Bingo Halls<br>Proposal: EXEMPT   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Community Amateur Sports Club<br>Proposal: EXEMPT   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Community Premises<br>Proposal: EXEMPT  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Country Village Pubs<br>Proposal: NOT TO BE EXEMPT  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Business Improvement Districts (BIDs)<br>Proposal: NOT EXEMPT   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| New Year's Eve<br>Proposal: EXEMPT  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Small Business Rate Relief<br>Proposal: NOT TO PROVIDE A REDUCTION  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Members of Business-led Best Practice Schemes<br>Proposal: CONDITIONAL REDUCTION FOR BEST BAR NONE SCHEME | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

**Do you have any comments or suggestions not already covered?**

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**How do you propose the levy is target on the following areas?**

- Reduction or prevention of crime and disorder      Yes       No
- Promotion of public safety      Yes       No
- Reduction or prevention of public nuisance      Yes       No
- Cleaning of any relevant highway or relevant land      Yes       No

**Are you:**

- A licensed business with a licence to all alcohol from midnight – 6am
- A licensed business with a licence that does not permit the sale of alcohol
- A non-licenced business
- A member of the public
- Other