

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE LICENSING COMMITTEE**

**HELD AT 6.30 P.M. ON THURSDAY, 13 SEPTEMBER 2018**

**THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5  
CLOVE CRESCENT, LONDON, E14 2BG**

**Members Present:**

Councillor Zenith Rahman (Chair)  
Councillor Shad Chowdhury (Vice-Chair)  
Councillor Mohammed Ahbab Hossain  
Councillor Leema Qureshi  
Councillor Dan Tomlinson

**Apologies**

Councillor Sabina Akhtar  
Councillor Shah Ameen  
Councillor Peter Golds  
Councillor Ehtasham Haque  
Councillor Tarik Khan  
Councillor Eve McQuillan  
Councillor Victoria Obaze  
Councillor Puru Miah

**Others Present:**

Farida Yasmin	– Member of the Public
Dinah Glover	– Member of the Public
Jason Pritchard	– Councillor – City of London
Haijun Zuo	– Objector & Licence Holder – 3.1

**Officers Present:**

Agnes Adrien	– (Team Leader, Enforcement & Litigation, Legal Services)
Tom Lewis	– (Team Leader - Licensing Services)
David Tolley	– (Head of Environmental Health and Trading Standards)
Amran Ali	– Health and Safety Officer, Trading Standards
Farhana Zia	– Senior Committee Services Officer

**1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

There were no declarations of disclosable pecuniary interest.

**2. MINUTES OF THE PREVIOUS MEETING(S)**

The minutes of 17<sup>th</sup> July 2018 were agreed and approved as an accurate record of the meeting.

**3. ITEMS FOR CONSIDERATION****4. LONDON LOCAL AUTHORITIES ACT 1991 HEARING TO CONSIDER THE REVOCATION OF THE SPECIAL TREATMENT LICENCE OF CHENG XIANG CHINESE MEDICINE LIMITED TRADING AS HEALTH ONE 66 MIDDLESEX STREET, LONDON, E1 7EX**

Mr Tom Lewis, Team Leader for Licensing and Safety, Environmental Health informed members the application before them was to consider the revocation of a Special Treatment licence for Cheng Xiang Chinese Medicine Limited trading as Health One, 66 Middlesex Street, London E1 7EX.

He said the revocation was sought following the successful prosecution of the Licence Holder at Thames Magistrates Court on the 19<sup>th</sup> June 2018. He referred Members to points 3.1, 3.2 and 3.3 of the report which gave further details of the circumstances for which a Special Treatment Licence is required. Mr Lewis also referred Members to point 4.4 which listed the grounds for revocation, as per the London Local Authorities Act 1991.

Amran Ali, Health and Safety Officer provided Members with a detailed account of the investigation he had undertaken. He said the team had conducted covert surveillance of premises with Special Treatment licences and had employed a test purchasing company to conduct test purchases. The table at 8.2 of the report, showed the number of visits made in the last 24 months. Mr Ali stated the first test purchase was carried out on the 7<sup>th</sup> June 2017 followed by another on the 23<sup>rd</sup> June 2017. He said the test purchasers were two different individuals who were both offered services of a sexual nature at the end of the massage.

Mr Ali stated the Licence Holder was prosecuted at the Thames Magistrates Court on the 19<sup>th</sup> June 2018, on which occasion the defendant pleaded not guilty to breaching the conditions of the licence. The Court found Cheng Xiang Chinese Medicine Limited guilty of breaching the conditions of the licence by allowing the premises to be used for purposes other than to carry out special treatments. They were fined £1250 for the breach of the licence together with costs of £2000 totalling £3,375.

Mr Ali stated the Licensing Authority hoped the Licence Holder would have learnt lessons from the prosecution, however when a further test purchase was conducted on the 26<sup>th</sup> July 2018, it was evident the Licence Holder continued to breach the terms of the Licence by offering services of a sexual nature.

Furthermore, the Licencing Authority received a complaint on the 14<sup>th</sup> August 2018 which provided further evidence of the misuse of the premises. The evidence was from a website called UKpunting. Mr Ali drew the attention of Members to an entry made on the 16<sup>th</sup> July 2018 which included references to sexual services being received by customers of the premises Health One, 66 Middlesex Street, London E1 7EX.

Mr Ali said the Licence Holder, Mr Haijun Zuo and Ms Xiaoli Song were listed as the Directors of business and the application for the Licence showed Mr Zuo and Ms Song as the persons responsible for managing the business. Mr Ali stated it was evident that both individuals had failed to conduct and manage the business in a fit and proper manner by running a brothel business whilst masquerading as a massage parlour. Mr Ali continued stating the Licensing Authority had concerns of illegal human trafficking of vulnerable individuals, especially young women, prostitution and money laundering as well as public health concerns of sexually transmitted diseases.

Mr Ali asked Members of the Licensing Committee to revoke the Licence based on the evidence before them.

Mr Haijun Zuo, the Licence Holder was also present at the meeting. Mr Zuo stated his understanding of English was not particularly good but in defence said that he could not always control staff and their behaviour. He said the licensing conditions were displayed on the wall and staff had been told not to offer extra services. He said the therapist was dismissed when he received the letter from the Council.

Members of the Committee asked questions in relation to the application and in response the following was noted:

- Two massage therapists were employed by Health One, but on further questioning Mr Zuo stated four were employed.
- Mr Zuo said he could not control his staff nor could he enter the therapy rooms as the clients would not like this and what happened in there was private.
- After the prosecution, the staff member was dismissed however the new staff member also broke the law, as per the test purchase of 26<sup>th</sup> July 2018.
- Mr Zuo said had he known he would be questioned he'd have brought his solicitor. He said the letter sent to him did not make clear that he would be questioned. The Legal Officer asked to see the letter and said it was clear the letter set out the reason for the hearing and it was for Mr Zuo to instruct a solicitor.
- Mr Zuo said he would like to give up the licence. The Legal Officer asked if he understood that this meant and Mr Zuo said he no longer wanted a licence.

Members adjourned the meeting at 19:07 hours for deliberations and reconvened at 19:20 hours.

### **Decision**

Accordingly, the Committee unanimously

## **RESOLVED**

That the Application for the revocation of a Special Treatment Licence, under the London Local Authorities Act 1991 for Cheng Xiang Medicine Limited trading as Health One, 66 Middlesex Street, London E1 7EX be **REVOKED** :

1. As the licence holder has been found to have improperly conducted its business on 7<sup>th</sup> June 2017, 23<sup>rd</sup> June 2017 and 26<sup>th</sup> July 2018 as per the test purchase evidence, in breach of Regulation 7 (b) (Appendix 2) and:

As per paragraph 4.4 of the report the following grounds for revocation applied:

- (c) the persons concerned or intended to be concerned in the conduct or management of the premises used for special treatment could be reasonably regarded as not being fit and proper persons to hold such a license;
- (e) the premises have been or are being improperly conducted.

## **5. STATEMENT OF LICENSING POLICY 2018 - 2023**

Mr David Tolley, Head of Environmental Health presented the Licensing Policy 2018 -2023. Mr Tolley explained the policy was a statutory policy of the Council which requires the Council to update it, every five years. Mr Tolley said a twelve week consultation had been undertaken and Cabinet had considered the policy. The Statement of Licensing Policy would be further discussed at Full Council on the 19<sup>th</sup> September 2018, before the proposed policy would be adopted.

Mr Tolley referred Members to point 3.9 of the report and said various stakeholders and the public had been consulted in devising the policy. Over 1,000 letters had been sent and the policy detailed the responsibility of the Licensing Committee and its sub-committee. Mr Tolley stated the main changes to the policy, was the introduction of a Cumulative Impact Zone in Bethnal Green. Point 3.13, page79 of the agenda pack, outlined the council's framework hours which would remain unchanged. Mr Tolley said the Licensing Team would continue to consult residents within a 40 meter radius and were looking to revamp the website so to ensure the customer journey, systems and processes were more transparent and sufficient.

Mr Tolley stated the report was for noting and upon Full Council accepting the policy, adoption of the policy would be from the 1<sup>st</sup> November 2018.

Members of the Committee asked questions in relation to the report and the following was noted:

- Mr Tolley was asked what the motivation was for the introduction of a CIZ in Bethnal Green. Mr Tolley explained the public consultation and consultation with the police supported an introduction of a CIZ in the area due to the concentration of businesses such as pubs and clubs and the increase in anti-social behaviour.
- Mr Tolley was asked if he could provide statistical information on the number of Anti-Social Behaviour incidents in Bethnal Green. Mr Tolley confirmed he would circulate this information to the committee.
- Mr Tolley clarified the Statement of Licencing Policy did not include the Council's policy on Sexual Entertainment Venues. This was a separate policy. Members queried if the SEV policy could be reviewed. After discussion it was agreed that a workshop of the Council's SEV policy may benefit members.

The Members of the Licensing Committee:

1. Noted the proposed the Statement of Licensing Policy that will be put before full Council on the 19<sup>th</sup> September 2018.

The meeting ended at 7.37 p.m.

Chair, Councillor Zenith Rahman  
Licensing Committee