

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE LICENSING COMMITTEE**

**HELD AT 6.30 P.M. ON THURSDAY, 14 DECEMBER 2017**

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

**Members Present:**

Councillor Rajib Ahmed (Chair)  
Councillor Peter Golds (Vice-Chair)  
Councillor Suluk Ahmed  
Councillor Shah Alam  
Councillor Dave Chesterton  
Councillor Andrew Cregan  
Councillor Joshua Peck

**Apologies**

Councillor Khaled Uddin Ahmed  
Councillor Harun Miah  
Councillor Candida Ronald  
Councillor Rachael Saunders  
Councillor Shiria Khatun

**Others Present:**

Daniel Holland	The Surveillance Group Ltd
Jeremy Ward	The Surveillance Group Ltd
Wai Ming Yau	Item 3.3

**Officers Present:**

Agnes Adrien	Team Leader, Enforcement & Litigation, Legal Services
Charlotte Basten	Environmental Health Officer
Damian Doherty	Environmental Health Enforcement Officer
Natalie Thompson	Environmental Health Officer
David Tolley	Head of Environmental Health and Trading Standards
Farhana Zia	Senior Committee Services Officer

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Racheal Saunders, Councillor Harun Miah, Councillor Candida Ronald, Councillor Shiria Khatun and Councillor Khales Uddin-Ahmed.

Apologies for lateness were received from Councillor Suluk Ahmed who was approximately 10 minutes late for the meeting owing to traffic.

### 1.1 DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No Declarations of discloseable pecuniary interest were disclosed.

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

The minutes from the previous meetings of

- 13<sup>th</sup> September 2017;
- 26<sup>th</sup> September 2017;
- 2<sup>nd</sup> October 2017; and
- 17<sup>th</sup> October 2017

were approved to be accurate records of the meeting.

### Matters Arising

Councillor Dave Chesterton, Chair of Overview and Scrutiny referred members to page 12 of the agenda pack and the minutes of the 13<sup>th</sup> September 2017. He informed Members further progress had been made in relation to SEV's and that he had provided a written note to the Chair of Licensing Committee as well as officers, to note.

The update is appended at **Appendix 1** of the minutes of 14<sup>th</sup> December 2017.

## 3. ITEMS FOR CONSIDERATION

### 3.1 Statement of Licensing Policy Review 2018

David Tolley, Head of Environmental Health and Trading Standards presented his report in relation to the Statement of Licensing Policy review 2018.

He informed Members all local authorities had to determine and publish their Statement of Licensing Policy every five years and as such the policy at Tower Hamlets required review and publication by October 2018.

He said the purpose of the policy statement is to define how the responsibilities under the Licensing Act 2003 are going to be exercised and administered by the Local Authority.

A statutory consultation process will take place and there will be an opportunity for the local community to comment upon the Statement as part of the consultation process before the Statement of Licensing Policy is agreed and adopted by Council.

Members of the Committee made the following comments in relation to the report and asked questions:

- Will members of the public be consulted?
- Could you please ensure changes in the policy are communicated widely to as many people and organisations as possible?

Members of the Licensing Committee **AGREED** to **NOTE** the recommendations contained within the report, namely to

1. Note the forward programme for consulting on the proposed Statement of Licensing Policy
2. Note that the consultation should be based on the proposed changes detailed in Appendix Two.
3. To note the consultation to retain the current Cumulative Impact Zone in the Brick Lane area at Appendices 1 and 3;
4. To note the consultation for a Cumulative Impact Zone for Bethnal Green/Cambridge Health Road to Old Bethnal Green Road.

### **3.2 Night Time Economy Visits and Enforcement Update**

Damian Doherty, Licensing Officer presented his report on the Night time economy visits and enforcement action undertaken in accordance with the Licensing Act 2003.

He informed Members the objective was to carry out late night visits to premises where intelligence had been received of alleged contravention of the Licensing Act.2003. Officers from the Licensing Team as well as Environmental Health and Trading Standards have been involved in the visits which have included test purchases to investigate compliance and enforcement.

Visits have been conducted on Friday and Saturday nights between the hours of 22:00 and 3:00 hours.

Damian referred members to point 3.2 of the report stating the enforcement team had taken a three pronged approach. Warning letters, review of the premises licence and investigation for referral for prosecution were the actions taken. He referred to the outcomes achieved at 3.4 and said the Team had conducted a total of 230 inspections, with 24 premises receiving warning letters, with 6 successful prosecutions and 1 unsuccessful prosecution in 2016/17.

To give context to types of prosecutions undertaken, Damian Doherty referred members to Appendix 3 and the case studies therein.

Members of the Committee made the following comments and asked questions in relation to the report:

- What was the reason for the unsuccessful prosecution?
- Was any compensation paid by the Council in relation to the unsuccessful prosecution?
- Are you confident that you will achieve a similar number of visits for this year?
- Have visits been conducted in Leman Street and Alie Street? Can this be added to your list of visits?
- In reference to appendix 1, why has Spitalfields and Banglatown received the highest number of visits for 2016/17?
- Can the factory used by Deliveroo also be investigated? Gas canisters are a particular concern.

Members of the Committee **NOTED** the report and the recommendation to:

1. Note the activity that has been undertaken by the Environmental Health and Trading Standards Service with regards to regulating Late Night Licensed Premises.

Councillor Peck **MOVED** that officers be thanked for carrying out their work, which the Committee members **AGREED**.

### **3.3 Application for a New Special Treatment Licence for Relax Studio, Unit 2, 1 Gunthorpe Street, E1 7RG**

At the request of the Chair, Ms Charlotte Basten, Environmental Health Officer introduced the report which detailed the application for a Special Treatment Licence for Relax Studio, Unit 2, 1 Gunthorpe Street, London E1 7RG.

The application was made on the 28<sup>th</sup> September 2017 by Mr Wai Ming Yau Appendix 1 – pages 231- 240 of the agenda. A licence from the Council is required for the use of the premises as an establishment for special treatments and pages 220-221 set out the legal powers the Committee has in granting or refusing a licence.

Planning permission is granted for the premises to operate between 08:00 hours to 20:00 hours and the current application is to permit the premises to operate as an establishment for special treatments offering Massage.

All responsible authorities have been consulted and objections have been received from the Environmental Health Licensing and Safety Team on the grounds that the premises have been or are being improperly conducted.

Ms Basten referred Members to the evidence appended at Appendix 4 and stated the Licensing Authority objected for the following reasons:

- Evidence gained from Test Purchase visits on the 23<sup>rd</sup> June 2017 and 27<sup>th</sup> June 2017 showed that services of a sexual nature were being offered at the premises in return for money;
- Evidence gained from the visits revealed the premises was open and advertising as an establishment for special treatments with no licence in place after the 30<sup>th</sup> August 2017, when the exemption was revoked; and
- Several complaints had been received from a member of the public regarding the premises being open and advertising beyond the permitted hours.

Mr Wai Ming Yau (the applicant) was present for the Committee meeting and was given the opportunity to present his case. Mr Yau stated his business had been operating from the premises within the hours permitted and any late night opening was for the purpose of cleaning the premises. He said the allegation that inappropriate sexual services were offered to customers was totally against the principles of the business, which was overseen by his wife. Mr Yau stated his wife was looking to recruit professional masseurs and had been interviewing several candidates. He said they would only employ those who were qualified to work as masseurs and would verify the credentials of each candidate. He said what the masseurs were offering behind closed doors was something he was unaware of.

Natalie Thompson, Principal Environmental Health Officer countered by stating the licensing authority, prior to Mr Yau's application for a licence, had received several complaints from a resident about the late night openings and as a result they had investigated the premises. Ms Thompson stated they had written to the Landlord as well as Mr Wai Ming Yau stating the times of opening and requested them to comply to the times. She said when they visited the premises on the 3<sup>rd</sup> August 2016, Ms Chak Wa Yiu was working as a therapist and was a member of the Independent Professional Therapists International (IPTi) organisation. However following the Test Purchases – witness statements on pages 273-276 of the agenda, the IPTi revoked the Ms Yiu's membership resulting in the premises requiring a licence for the Local Authority.

Following the revocation, the licensing authority visited again and found Ms Chak Wa Yiu was still working at the premises. In addition to the complaints received from the member of the public, there is further evidence that the premises is used inappropriately offering sexual services, from the membership-only online message board comments on the "Full Body Sensual Massage" website –pages 347-367. The name 'Apple' is mentioned on the website and this was the name given by the receptionist, during a visit that was made after the application was submitted, has her manager.

Members of the Committee asked the following questions:

- Do you have premises in Shepherds Bush Road?  
*Yes, I have been operating from that premises for 8 years and I have never had any complaints.*
- The evidence presented in the form of photographs. Are these from one member of the public and have these been independently verified?  
*Yes, the photographs are from one individual and they are timestamped.*
- According to the evidence, two test purchases have been carried out where sexual services have been offered and reading the online references – another 8, making a total of 10 incidences. Mr Yau, it would appear that the rules have been broken on at least 10 occasions.  
*My wife has interviewed and hired masseurs to help in the shop and sometimes she has to leave the room – what they get up to earn extra money I do not know but they would be dismissed.*
- Do you have any way to stop this happening?  
*No not really*
- There is no way to control staff from offering sexual services?  
*No*

Members of the Committee heard further from Mr Daniel Holland, one of the test purchasers, about his visit to the Relax Studio on the 12<sup>th</sup> July 2017. Mr Holland confirmed the content of his witness statement stating that he had had professional massages before however this visit was not geared towards massage. He said both ladies laid on his back and the younger female asked if he wanted a 'happy ending', which he refused. He said that thereafter both females lost interest in finishing the massage and he left the premises.

Members of the Committee continued with their questioning:

- Can you ensure the committee that this will not happen again?  
*I cannot guarantee this, other than ask the masseurs to leave the door open but the client may not wish for this. We have notices on the walls stating sexual services are not offered and if they are offered the clients should notify the management.*
- How do others, who run massage services, control this type of behaviour in their premises? Have you sought professional advice on how to run your business?  
*No, I have not sought professional advice. It is hard to control behaviour like this, especially if the masseurs do this behind my back, without my knowledge. All I can do is dismiss them. I have another branch in Hammersmith and I have never had any problems of this sort.*
- Referring to pages 273 -276, do you understand what a test purchase is?  
*Yes*

- You say you only hire professionally qualified masseurs however pages 347 – 358, are the experiences of people, who have commented on the premises and which have been lifted from a membership only website. Do you understand what these comments are about? They are describing their sexual encounters at your premises.  
*People hire others to write stuff like this on websites and it is untrue. At the time of the Test Purchases we were interviewing and if anyone did offer sexual services they would not be hired.*

At this stage, Members asked the Officers if they had a photograph of the qualified Masseur to be shown to Mr Holland and Mr Wai Ming Yau.

Ms Charlotte Basten, Environmental Health Officer produced the original photograph and Mr Daniel Holland was asked to confirm if this was one of the two ladies he had encountered on the day of his visit.

Mr Holland positively identified the woman and confirmed he had met with this woman on the day of his visit. The lady identified was Ms Chak Wa Yiu.

The photograph was also shown to Mr Wai Ming Yau.

The questioning continued:

- Do you recognise the woman in this photograph?  
*Yes that is my wife*
- Do masseurs usually lay on top of their clients?  
*No. My wife is responsible for the Aldgate branch.*
- How many people are working at the shop?  
*We are not open at the moment.*
- Are you aware of the number of complaints received about the premises?  
*No. I have no idea. I know nothing about it. I don't know about the test purchases or the disqualification from IPTi.*
- Are you suggesting the witness statements of the test purchasers are made up?  
*No – I am not saying this. Masseurs who behave in this way are not hired.*
- It is evident the premises has been operating without a licence since October [September]. Has the local authority initiated prosecution proceedings?  
*No, not yet.*
- You've said masseurs should not lay body to body. What should happen when a massage is given?  
*Usually it is working with the hands to ease out the knot or muscle, for extra pressure the knee can be used.*
- The photograph has been identified as your wife. Should masseurs be naked, when they massage?  
*No*

Mr Wai Ming Yau was given the opportunity to summarise why the licence for Special Treatment should be granted.

Mr Yau stated that the massage service was aimed at office people, who can suffer from stress. A massage ensured a better night's sleep and helped people deal with their stresses. He had run his Shephard's Bush branch for eight years and decided to open another branch in Aldgate. He said the allegations of sexual encounters, if true would lead to the masseurs being fired however he had no control of what happened behind closed doors.

Ms Natalie Thompson stated the evidence showed the premises was being used improperly. They had received complaints from a resident about the late night openings and the Environmental Health Licensing and Safety team had investigated the allegations. Evidence points to the premises offering services of a sexual nature and this was further proven by the test purchases. Therefore the licence should not be granted as the applicant has not been abiding by the rules.

Members adjourned at 19:39 to consider the application before them.

### **Decision**

Accordingly, the Committee unanimously

### **RESOLVED**

That the Application for a New Special Treatment Licence, under the London Local Authorities Act 1991 for Relax Studio, Unit 2, 1 Gunthorpe Street, London E1 7RG be **REFUSED** on the basis that:

- i. The premises were open and advertising as an establishment for special treatments with no licence in place after the 30<sup>th</sup> August 2017, when the exemption was revoked;
- ii. That there is strong evidence of sexual services being offered;
- iii. That the premises has been operating outside the hours of the planning permission whilst the premises was exempt from requiring a licence; and
- iv. The applicant claims he is unable to control his staff in his premises.

Therefore the application for a special treatment licence is **REFUSED** on the following grounds of Section 8 of the London Local Authorities Act 1991:

- (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 licence;
- (e) the premises have been or are being used improperly conducted.

The meeting ended at 7.52 p.m.



Chair, Councillor Rajib Ahmed  
Licensing Committee