

Late Night Levy

The Police Reform and Social Responsibility Act 2011 introduced an adoptive power whereby the Council may impose a late night levy on businesses that are licensed to sell/supply alcohol between midnight and 06:00am (00:00 and 06:00). Other London Boroughs who have introduced a Late Night Levy have reported a positive impact on reducing incidents relating to late night drinking of alcohol.

The aim of the levy is to empower local authorities to charge businesses that are licensed to sell/supply alcohol between midnight and 06:00am (00:00 and 06:00). The charge applies whether these licensed (permitted) hours are used or not. The levy will help pay for the extra enforcement costs that the night-time economy generates for police and licensing authorities.

The Government considers that businesses who are licensed to, and profit from selling/supplying of alcohol between 00:00 and 06:00 hours should contribute towards the costs of managing the night-time economy, rather than relying on other taxpayers in the community to bear the full costs.

The London Borough of Tower Hamlets determined to adopt the provisions to raise a late night levy. The determination to introduce the levy was made by Full Council on 20 January 2017 with an implementation date of 1 June 2017. Due to errors in the consultation process last year it has been decided not to introduce the Late Night Levy on 1st June 2017.

The Council will now be re-launching the consultation and is hereby consulting on the introduction of a late night levy for premises authorised to sell/supply alcohol between midnight and 6am to be introduced on 1st January 2018.

Full details of our proposals can be found below. Please also see our formal Notice of Intention to Introduce a Late Night Levy within the London Borough of Tower Hamlets, which summarises the proposals.

About the Consultation

The Consultation is intended to be targeted at those who could be affected by the introduction of a Late Night Levy, in particular:

- Businesses, e.g. those who hold or are considering applying for a licence to sell/supply alcohol,
- The Police,
- Residents, and
- Any other interested party e.g. any business/organisation/person who has an interest in the night time economy.

The Council is legally required to consult with the Mayor's Office for Policing and Crime (MOPAC), the Chief Officer of Police for this borough, and all premises licence and club premises certificate holders whose authorised to

sell/supply alcohol between the times the levy is proposed to apply, i.e. 00:00 and 06:00 hours.

The purpose of the consultation is to seek the stakeholders' comments and views on the proposed Levy. We are therefore keen to have maximum engagement from consultees.

Please note as mentioned above this is a new consultation therefore all comments received during the last consultation will not be included in this one. Persons who provided comments previously should do so again during this new consultation.

Proposal

Why is a Late Night Levy being consulted on?

The Metropolitan Police post additional staff every Friday and Saturday night to deal with specific night-time economy issues. Under a special services agreement the cost of this to the council is in the region of £336,752 a year.

There are approximately 200 alcohol related ambulance call-outs per month in the borough. In relation to all ambulance call-outs in Tower Hamlets, on average 17% a week take place between midnight and 06:00am. At weekends this figure is 22%. A report by the Institute of Licensing in October 2015 (Alcohol's Impact on Emergency Services) found during their survey that an estimated 37% of ambulance time is alcohol related.

The Maps a – f, (to view all maps a to f please click [here](#)), plot anti-social behaviour complaints in 2016/17 related to licensed premises, and the time period of the licence.

How long will the Consultation run for?

The Council will run the consultation from Wednesday 24th May 2017 to 00:00 hours on Wednesday 23rd August 2017.

How can the money raised by the levy be used?

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 leftover (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% of the total collected. MOPAC has agreed that the whole amount will be held in a central trading account. The allocation of this funding will then be managed through our current Community Safety Partnership arrangements. The Licensing and Safety Team has responsibility for liaison with both public and voluntary sector on community safety issues. Use of the

levy in this way will provide transparency and allow greater flexibility in the use of the funds from year to year.

The council is restricted as to what it can use the funds for; the levy must be used to fund services to tackle late night alcohol-related crime and disorder and services connected to the management of the night-time economy. The Council can only spend the money on the following measure:

- Reduction of crime and disorder,
- Promotion of public safety,
- Reduction or prevention of public nuisance,
- Cleaning of any relevant highway or relevant land within the Borough.

The Community Safety Partnership will decide how the money will be spent. Current measures being considered are:

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

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 as below:

Rateable Value	Annual Levy	Cost per week
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 of alcohol for consumption on the premises will pay an additional fee.*

The majority of premises in Tower Hamlets are rated as band B or C.

Every licensed premise permitted to sell/supply alcohol between the times of the levy set by the council, will have to pay the levy. The council has some discretion to either exempt or allow a reduction in the amount of levy in some specific cases. All possible exemptions and reductions included in the current proposal are detailed below.

How much money will the late night levy raise?

The final amount is difficult to estimate but will depend on how many premises continue to hold a licence during the late night levied hours, and the exemptions and reductions to be applied. Due to the number of potential exemptions or reductions and the option for licences to be varied, it is difficult to provide an exact figure if the levy is introduced. Theoretically it may range from £20,000 to £350,000 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 Full Council. If adopted, the levy will be implemented from **1st January 2018**.

Prior to the implementation of the levy any licensee who wishes to vary their licensable hours for the sale/supply of alcohol on their licence and reduce them to before the levied hours can do so via a free minor variation. We propose a 2-month period for these free variations to be provided. The free application period will run from the formal decision notice date to adopt the levy, if the Council determines to adopt following consultation.

How will the levy be collected?

The council will collect the levy at the same time as the annual licence annual fee. However for premises who apply for a Licence after the levy has been introduced their fee will be collected 14 days following the granting of their licence.

What happens if a licensee 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 carry out any licensable activities 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

What time will the levy apply to?

The council proposes to set the late-night levy period to run from midnight to 6am (00:00 to 06:00 hours). It is considered that all premises operating or able to operate during these hours impact on the need for additional resources to address the consequences of the night time economy and so should contribute to the costs incurred.

Who will be exempt from the levy?

There may be some premises which the council feels should not have to pay the levy.

The Council proposes the following exemption to be applied:

- **Premises with overnight accommodation** – This exemption does not however apply if alcohol is served during levied hours to members of the public who are not staying overnight (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 levied hours 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. 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. 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 (CASC) that are entitled to various tax concessions including relief from business rates. 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. It is not considered that these premises will contribute significantly to the detrimental effects of the late night economy.
- **New Year's Eve** – Applicable to premises which are authorised to sell alcohol between midnight and 6am, ONLY on New Year's Day. 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.

The Council proposes the following exemptions will not be applied:

- **Business Improvement Districts** – there are no Business Improvement Districts in Tower Hamlets
- **Country Village Pubs** – Tower Hamlets does not have any premises that fall into this definition

What premises are entitled to a reduction in the levy?

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

These categories are:

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. It is proposed by the council not to provide a reduction to these premises. These premises receive business rate relief to assist in their viability. However, if they operate in the levied hours, 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. As the levy fees are dependent on the rateable value of the premises small businesses are likely to fall in its lower bands and be liable for 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 national 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.

Reduction to be applied:

The council proposes a conditional reduction for those premises that are part of the Best Bar None scheme. The scheme aims to raise standards in self-regulation and is considered to be beneficial to the management of the late night economy. It is essential that any scheme has robust and stringent standards with disciplinary mechanisms to remove non-compliant businesses.

Temporary Event Notices (TENs)

The levy does not apply to Temporary Event Notifications (TENs).

Consultation Survey

Now you have read our proposal please provide your views and comments by completing our online survey which can be accessed here.

If you cannot access the survey please email the Licensing Team via: licensing@towerhamlets.gov.uk or send a letter to the below address:

Licensing and Safety Team
Environmental Health and Trading Standards
John Onslow House
1 Ewart Place
London
E3 5EQ

Further Guidance

Home Office Guidance on the Late Night Levy can be found at:
<https://www.gov.uk/government/publications/amended-late-night-levy-guidance>

Consultation Form (Questions)

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/No

Do you agree with premises that obtain the Best Bar None Award being given a 30% reduction on the levy?

Yes/No

Do you agree the Levy should start at midnight?

Yes/No

Do you agree with the proposed exemption and reductions?

Premises with overnight accommodation?

Proposal: EXEMPT

Yes/No

Theatre and cinemas

Proposals: EXEMPT

Yes/No

Bingo Halls

Proposal: EXEMPT

Yes/No

Community Amateur Sports Club
Proposal: EXEMPT
Yes/No

Community Premises
Proposal: EXEMPT
Yes/No

Country Village Pubs
Proposal: NOT TO BE EXEMPT
Yes/No

Business Improvement Districts (BIDs)
Proposal: NOT EXEMPT
Yes/No

New Year's Eve
Proposal: EXEMPT
Yes/No

Small Business Rate Relief
Proposal: NOT TO PROVIDE A REDUCTION
Yes/No

Members of Business-led Best Practice Schemes
Proposal: CONDITIONAL REDUCTION FOR BEST BAR NONE SCHEME
Yes/No

Do you have any comments or suggestions not already covered?

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