

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE LICENSING COMMITTEE

HELD AT 6.00 P.M. ON THURSDAY, 14 JULY 2022

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

Members Present:

Councillor Kamrul Hussain (Chair)

Councillor Faroque Ahmed
Councillor Leelu Ahmed
Councillor Suluk Ahmed
Councillor Sabina Akhtar
Councillor Gulam Kibria Choudhury
Councillor Peter Golds
Councillor Shubo Hussain
Councillor Amin Rahman
Councillor Rebaka Sultana
Councillor Abdul Wahid

Apologies

Councillor Saied Ahmed
Councillor Asma Begum
Councillor Kabir Hussain
Councillor Ahmodul Kabir

Officers Present:

Tom Lewis	– (Team Leader - Licensing Services)
Jonathan Melnick	– (Principal Lawyer-Enforcement)
Simmi Yesmin	– (Democratic Services Officer, Committees, Governance)

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. ITEMS FOR CONSIDERATION

2.1 London Local Authorities Act 1991 Hearing to revoke the special treatment licence for Genesis Thai Beauty Spa, Unit 2 Nagpal House, 1 Gunthorpe Street London E1 7QX

At the request of the Chair, Mr Tom Lewis, Team Leader – Licensing and Health & Safety, introduced the report which was seeking revocation of the special treatment licence for Genesis Thai Beauty Spa, Unit 2 Nagpal House, 1 Gunthorpe Street, London E1 7QX. He explained that on 13 April 2017 a petition containing 101 signatures from local residents from the Liverpool Street area was received by the Council from the Corporation of London. The petition requested that all massage premises in the area be investigated for compliance with their licence conditions.

It was noted that two test purchases had been carried out at the premises, on 15 October 2021 and 29 October 2021 and, on both occasions, services of a sexual nature were offered. Members were referred to the statements from the test purchasers detailing their account of the test purchase.

Mr Lewis informed the Committee that correspondence had been received from the Premises Licence Holder, Ms Chanita King and her Legal Representative following notification of this hearing and these were included in the supplemental agenda on pages 3-6. It was noted that the premises licence holder had requested that the Authority cancels the licence. He stated that under the London Local Authorities 1991 Act, the Council may at the request of the licence holder cancel the licence. However, it was the Licensing Authority's view the word 'may' did not mean that they had to cancel the licence and given that this formal request had only been received a few days ago, Officers were of the view that the evidence contained in the report warranted the revocation of the licence and the Committee should proceed to determine the application.

Mr Lewis concluded that the Committee is recommended to revoke this licence under section 8 of the London Local Authorities (e) the premises have been or are being improperly conducted. He expressed concerns that providing services of a sexual nature can amount to prostitution and can be often linked to criminal activities such as human trafficking and exploitation of vulnerable females, and give rise to an increased risk of spreading infectious diseases.

Finally, it was noted that due to the findings from the test purchases, the Authority were now looking to take legal action against the premises licence holder for breach of their licence.

There were no questions from Members.

There were no other interested parties present to make a representation, therefore the Chair announced that the Committee would deliberate after the meeting and the decision would be sent out in writing.

DECISION

The Licensing Committee considered an application by the Licensing and Safety Team seeking the revocation of the special treatment licence held by Genesis New World Aldgate Ltd. in respect of Genesis Thai Beauty Spa, Unit 2 Nagpal House, 1 Gunthorpe Street, London, E1 ("the Premises"). The basis

of the application was that two test purchases carried out in October 2021 had resulted in sexual services being offered by therapists.

The Committee was made aware that the licence holder had submitted a request to cancel the licence. The Committee was also aware of correspondence between the Licensing and Safety Team and the licence holder's solicitor in respect of this point. The Committee was advised that it was a matter of discretion to accept the cancellation or to proceed with the hearing. The Committee proceeded as Members thought it important to hear and determine the substantive application as the outcome may be relevant in respect of any future applications by the licence holder or for a new licence at the Premises.

The Committee heard from Mr. Lewis, who outlined the test purchases and the reasons why revocation was sought. The Premises were being improperly conducted, the activity alleged was tantamount to prostitution, such offences were often linked to other criminal activity, and the perpetuation of these activities tarnished the Borough's reputation.

The licence holder did not attend but the Committee noted the request to cancel and that the allegations were not admitted and had no bearing on the decision to request cancellation of the licence.

The Committee was satisfied as to the evidence of the test purchasers, which was in the agenda packs and which amounted to a breach of conditions 7B and 9 of the Council's standard conditions which apply to all special treatment licences. In the absence of any representations from the licence holder (and noting in any event that she has no intention of continuing the business) the Committee was satisfied that it was appropriate to revoke the licence on the basis of section 8(c) and 8(e) of the London Local Authorities Act, namely that the persons concerned in the conduct or management of the premises could be reasonably regarded as not being fit and proper to hold such a licence, and that the premises have been or are being improperly conducted.

Accordingly, the Committee unanimously;

RESOLVED

That the **Revocation** of the special treatment licence for Genesis Thai Beauty Spa, Unit 2 Nagpal House, 1 Gunthorpe Street, London, E1 7RG be **GRANTED**.

2.2 London Local Authorities Act 1991 Hearing to consider the revocation of the Special Treatment Licence for Natural Treatment, 35 Artillery Lane, London E1 7LP

At the request of the Chair, Mr Kamal Miah, Environmental Health Officer, introduced the report seeking a revocation of the special treatment licence for Natural Treatment, 35 Artillery Lane, London E1 7LP. He also explained that following on from the petition in 2017 from residents, it has been a priority to make sure that licensed premises are investigated and make sure they are

operating in accordance with law. Therefore, it was taken upon officers to investigate premises and carry out mystery shoppers. It was noted that test purchases were carried out at this premises because it had been linked to sexual services that in the past based on Internet search under a different licence holder and therefore selected for a test purchase.

Mr Miah explained that test purchases were carried out on 15th and 29th October 2021 and, on both occasions during the massage, services of a sexual nature were offered to the test purchaser. A detailed account of the test purchases can be found on pages 123-131 of the agenda. It was also noted that on 22nd March 2022, the Council became aware that the therapists who offered the sexual services during the test purchases has not been approved by the Council to carry out massage treatments.

Mr Miah concluded that the licence was renewed on 17th June 2022. However, now that the premises is associated to services of a sexual nature, he recommended that the licence be revoked by the Committee.

The Committee then heard from Ms Yani Wang, Premises Licence Holder. She read through a statement that she circulated at the meeting (the statement can be found in the tabled papers published as part of a supplemental agenda. She referred to having been “cheated” by the previous owner when she purchased the business in March 2020. Her statement referred to having heard of sexual services being offered in massage parlours but was nothing to do with her, but she now “...had to deal with the problem, the problem that was left over from the previous owner.”

Ms. Wang spoke to her thirty years’ of experience in this industry. She suggested it should be the masseuses who should be regulated and suffer the risk of being unable to work if they offered sexual services, rather than penalising the employer. She accepted that there was a high risk of sexual services being offered but also accepted that her employees were doing what others do and they were just unlucky. She also suggested some form of collusion between officers and premises. In a second statement, Ms. Wang provided screenshots of messages between her and the massage therapist, in which the therapist denied offering the services. Ms. Wang said she did not believe that either the test purchaser or her massage therapist would lie. She suggested that she should have been made aware much sooner of the incidents, than having wait for a hearing to be conducted by the Council. Statement have been included as part of the tabled papers.

In response to questions the following was noted;

- That Ms Wang had 8 years remaining on the current premises lease.
- That there were no locks or shower facilities in the treatment rooms.
- That once Ms Wang took over the premises, she had hired new members of staff and did not use the previous owner’s staff.
- That the premises was selected for test purchases based on direct complaints, suspicions and from previous history of the premises from previous owner and internet searches.

- That in total the premises had four treatment rooms and one rest room for staff.
- That when staff are appointed, passport checks and certificate/qualification checks are conducted.
- Staff were paid via bank transfer.
- Ms. Wang accepted that the operation of the Premises was her responsibility yet suggested that it was not possible to control what goes on once the door to the therapy room is closed.
- Mr. Miah was asked why it had taken until February 2022 before these allegations were brought to Ms. Wang's attention. He explained that the service had a number of cases to investigate, not just this one, and those took time. Evidence needed to be obtained and lines of enquiry pursued and it took a considerable period of time to be able to put cases together for either Committee or for referring to Legal Services. He confirmed that the case had been brought to the committee within an appropriate time frame.

There were no other interested parties present to make a representation. Therefore the Chair announced that the Committee would deliberate after the meeting and the decision would be sent out in writing.

DECISION

The Licensing Committee considered an application by the Licensing and Safety Team seeking the revocation of the special treatment licence held by Yani Wang in respect of Natural Treatment, 35 Artillery Lane, London, E1 ("the Premises"). The basis of the application was that two test purchases carried out in October 2021 had resulted in sexual services being offered by therapists.

The Committee heard from Mr. Ali, who outlined the test purchases and the reasons why revocation was sought. Aside from the sexual activity, the report noted that there were also breaches of the conditions restricting massages from being given by persons of the opposite sex to the person receiving the treatment and requiring therapists to be approved. The Premises were being improperly conducted, the activity alleged was tantamount to prostitution, such offences were often linked to other criminal activity, and the perpetuation of these activities tarnished the Borough's reputation.

Ms. Wang attended and read out a prepared statement. She referred to having been "cheated" by the previous owner when she purchased the business in March 2020. Her statement referred to having heard of sexual services being offered in massage parlours but was nothing to do with her, but she now "...had to deal with the problem, the problem that was left over from the previous owner."

Ms. Wang spoke to her thirty years' of experience in this industry. She suggested it should be the masseuses who should be regulated and suffer the risk of being unable to work if they offered sexual services, rather than

penalising the employer. She accepted that there was a high risk of sexual services being offered but also accepted that her employees were doing what others do and they were just unlucky. She also suggested some form of collusion between officers and premises. In a second statement, Ms. Wang provided screenshots of messages between her and the massage therapist, in which the therapist denied offering the services. Ms. Wang said she did not believe that either the test purchaser or her massage therapist would lie. She suggested that she should have been made aware much sooner of the incidents.

During questions from Members, Ms. Wang accepted that the operation of the Premises was her responsibility yet suggested that it was not possible to control what goes on once the door to the therapy room is closed. She told the Committee that she had not used the previous owner's staff. Mr. Miah was asked why it had taken until February 2022 before these allegations were brought to Ms. Wang's attention. He explained that the service had a number of cases to investigate, not just this one, and those took time. Evidence needed to be obtained and lines of enquiry pursued and it took a considerable period of time to be able to put cases together for either Committee or for referring to Legal Services.

The Committee was satisfied as to the evidence of the test purchasers, which was in the agenda packs and which amounted to a breach of conditions 7B, 8A and 9 of the Council's standard conditions which apply to all special treatment licences. The Committee did not find Ms. Wang to be at all credible. Whilst her prepared statements appeared to suggest that these problems had materialised under the previous owner's management and that they had only come to light after that, this did not fit with her own evidence. She had purchased the business in March 2020, she had not taken on the staff, and the test purchases had occurred in October 2021. She accepted her responsibility and yet sought to downplay it. She appeared to suggest that it was simply not possible to control the actions of her therapist.

In addition, Ms. Wang knew or ought to have known of the condition requiring all therapists to be approved. The therapist in October 2021 was not approved.

The Council's standard conditions and the statutory grounds reasons for revocation are all focused on the safety and suitability of the Premises for the treatments and for those working and visiting. It is the responsibility of the licence holder to ensure compliance and if they do not know how to do so then it calls into question their fitness and propriety to hold a licence. The Committee was satisfied that the Ms. Wang was not exercising proper control of the Premises. She was failing to comply with at least three conditions and appeared to suggest that the offer of sexual activity was simply impossible to control. In light of everything that it had heard, the Committee was satisfied that it was appropriate to revoke the licence on the basis of section 8(c), 8(d) and 8(e) of the London Local Authorities Act, namely that the persons concerned in the conduct or management of the premises could be reasonably regarded as not being fit and proper to hold such a licence, that

treatments were being given by people who were not suitably qualified, and that the premises have been or are being improperly conducted.

Accordingly, the Committee unanimously;

RESOLVED

That the **Revocation** of the special treatment licence for Natural Treatment, 35 Artillery Lane, London, E1 7LP be **GRANTED**.

2.3 London Local Authorities Act 1991 Hearing to consider revoking the special treatment licence for Vanilla Thai Massage, 1 Whites Row, London E1 7NF

At the request of the Chair, Mr Amran Ali, Health & Safety Officer Environmental Health Officer, introduced the report seeking a revocation of the special treatment licence for Vanilla Thai Massage, 1 Whites Row, London E1 7NF. He explained that the Committee is recommended to consider revocation of the licence on the basis that the business was found to be offering services of a sexual nature. It was noted on 15th & 29th October 2021 test purchases were carried out by professional surveillance company and found that services of a sexual nature was being offered by the therapist and the statement of the test purchaser can be found on page 180 of the agenda.

Mr Ali pointed out that when businesses are selected for the test purchasing exercise the Council appoints a professional surveillance company and provides a list of the premises to the company and that it was the surveillance company that appoint individuals to go to the premises at their own time within a time period to conduct the visit and there is no information provided to the Council Officers beforehand as to which premises they're going to and on what day. It was also noted that a follow up compliance visit was carried out on the 27th January 2021 by Officers from the Council, two massage therapists were present at the premises one of whom was not listed as a therapist nor any qualifications certificates were provided and this was a breach of condition 6 of the standard conditions.

Mr Ali informed the Committee that Ms Cheung Lai Kwan's (Premise Licence Holder) Legal Representative had been in contact with him and had informed him that his client had been in Hong Kong since December 2009 and a copy of the e-mail can be seen on page 7 of the supplemental agenda pack. In the e-mail the solicitor representing the licensee stated that she was in December since 2019 and currently still in Hong Kong, he also stated that following the findings of the test purchases she had decided to sell the business and the business was sold on the 11th of April 2022. The Legal Representative since then had sent another email today to confirm that the licensee now wishes for her licence to be cancelled. Mr Ali explained that there was insufficient time to process that request hence why this report has been brought to the Committee with a recommendation to revoke the licence.

Mr Ali concluded that such sexual services do resemble services of prostitution and can often be linked with other criminal activities such as human trafficking, exploitation of vulnerable females, and money laundering, as well as giving rise to an increased risk of spreading infectious diseases. These activities risked tarnishing the reputation of Tower Hamlets.

There were no questions from Members.

There were no other interested parties present to make a representation. Therefore the Chair announced that the Committee would deliberate after the meeting and the decision would be sent out in writing.

DECISION

The Licensing Committee considered an application by the Licensing and Safety Team seeking the revocation of the special treatment licence held by Cheung Lai Kwan in respect of Vanilla Thai Massage, 1 White's Row, London, E1 ("the Premises"). The basis of the application was that two test purchases carried out in October 2021 had resulted in sexual services being offered by therapists.

The Committee was also aware of correspondence between the Licensing and Safety Team and the licence holder's solicitor which stated, among other things, that Ms. Kwan had sold the business, that she had been in Hong Kong since December 2019, that she was not intending to return to the UK in the foreseeable future, and that she has no further interest in the business. The Committee was advised that this did not meet the requirements of the London Local Authorities Act 1991 for a formal request to cancel.

The Committee heard from Mr. Ali, who outlined the test purchases and the reasons why revocation was sought. The Premises were being improperly conducted, the activity alleged was tantamount to prostitution, such offences were often linked to other criminal activity, and the perpetuation of these activities tarnished the Borough's reputation.

The licence holder did not attend. The Committee noted the correspondence submitted on her behalf.

The Committee was satisfied as to the evidence of the test purchasers, which was in the agenda packs and which amounted to a breach of conditions 7B and 9 of the Council's standard conditions which apply to all special treatment licences. In the absence of any representations from the licence holder (and noting in any event that she appears to no longer be involved in the business) and given her long absence during which she cannot have been exercising proper control, the Committee was satisfied that it was appropriate to revoke the licence on the basis of section 8(c) and 8(e) of the London Local Authorities Act, namely that the persons concerned in the conduct or management of the premises could be reasonably regarded as not being fit

and proper to hold such a licence, and that the premises have been or are being improperly conducted.

Accordingly, the Committee unanimously;

RESOLVED

That the **Revocation** of the special treatment licence for Vanilla Thai Massage, 1 White's Row, London, E1 7NF be **GRANTED**.

The meeting ended at 8.15 p.m.

Chair, Councillor Kamrul Hussain
Licensing Committee