



LATE NIGHT LEVY
REPORT OF DEPUTY CHIEF EXECUTIVE – (COMMUNITY
DIRECTION)

WARDS AFFECTED: 'ALL WARDS'

1. **PURPOSE OF REPORT**

- 1.1 To reports seeks to inform Members of the Late Night Levy power under the Police Reform and Social Responsibility Act 2011.

2. **RECOMMENDATION**

- 2.1 That the Committee give clear direction in how they wish to proceed.

3. **BACKGROUND TO THE REPORT**

- 3.1 The late night levy (“the levy”) is a power, conferred on licensing authorities by provision in Chapter 2 of Part 2 of the Police Reform and Social Responsibility Act 2011 (“the 2011 Act”). This enables licensing authorities to charge a levy to persons who are licensed to sell alcohol late at night in the authority’s area, as a means of raising a contribution towards the costs of policing the late-night economy where there is evidence the night time economy is being affected by alcohol related crime and disorder and normal policing methods are not effective.

- 3.2 The decision to introduce the levy is an option available to all licensing authorities in the whole of their respective areas. The levy will be payable by the holders of any premises licence or club premises certificate (“holders”), in relation to premises in the authority’s area, which authorise the sale or supply of alcohol on any days during a period (the “late night supply period”) beginning at or after midnight and ending at or before 6 am.

- 3.3 The decision to introduce, vary or end the requirement for the levy must be made by the full Council. Other decisions in relation to the introduction and administration of the levy may be delegated in the manner which the licensing authority considers most appropriate.

The Local Night time Economy

- 3.4 Licensing Officers have had discussions with the local police regarding Hinckley’s night time economy. The police have informed us that due to a decrease in the number of customers visiting the town centre on Friday and Saturday less officers are needed to police the town centre and are now utilised elsewhere. During the last six months two town centre pubs in Hinckley have closed as it was no longer viable to keep them open.

The Introduction of a Levy

- 3.5 The decision to introduce the levy is for the licensing authority to make. The licensing authority is expected to consider the need for a levy with the chief officer of police and police and crime commissioner (“PCC”) for the police area in which it is proposed the levy will be introduced.
- 3.6 The levy is a power and some licensing authorities will not consider that it is appropriate to exercise it. The licensing authority may wish to decide whether or not it believes it has a viable proposal to introduce the levy before incurring the costs of the formal consultation process. It is recognised that some authorities may not have a large number of premises which are licensed to sell alcohol during the late night supply period. At this stage, some licensing authorities may decide that the levy will not generate enough revenue to make it a viable option in their area.
- 3.7 The late night supply period must begin at or after midnight and end at or before 6am. The period can be for any length of time within these parameters but must be the same every day. If licensing authorities decide that it would be appropriate that certain types of premises should not pay the levy, they can set the late night supply period to suit the opening times of premises in their local area (for example the supply period could begin at 1am).
- 3.8 The licensing authority must consider the desirability of introducing a levy in relation to the matters described in section 125(3) of the Police Reform and Social Responsibility Act 2011. These matters are the costs of policing and other arrangements for the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6am.

The Design of the Levy

- 3.9 The levy must apply to the whole of the licensing authority’s area. It will apply to all holders (on and off-trade) of relevant late night authorisations situated in the licensing authority’s area. Any such holder will be liable to pay the levy, regardless of whether the holder’s premises are actually operating during the period. For example, a holder in relation to a supermarket with a 24 hour licence will be required to pay the levy regardless of its actual opening hours.

Exemptions to the Levy

- 3.10 Licensing authorities may consider that there are some types of premises in relation to which the holder should not make a contribution towards the cost of policing the night-time economy through the levy. This is a local decision – the licensing authority should make its decision based on its knowledge of the night-time economy in the area, including information gathered through the consultation process.
- 3.11 Licensing authorities can decide, when considering the levy design, if any of the following permitted categories of premises should be exempt from the requirement to pay the levy. These exemption categories are specified in the Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012.

- *Premises with overnight accommodation*
- *Theatres and cinemas*
- *Bingo halls*
- *Community Amateur Sports Clubs (“CASCs”)*
- *Community premises*
- *Country village pubs*
- *Business Improvement Districts (“BIDs”)*

Reductions

- 3.12 Eligible premises could receive a 30% reduction from the levy. There will be no cumulative discounts available for holders in relation to premises that are eligible for more than one reduction category. At this stage it is not possible to calculate which premises may be eligible for a reduction. This will only be possible if and when the Council agree to consult on a late night levy and would only be decided after careful consideration by the Licensing Committee following a full consultation. Regarding the costs of administering such a levy it is not possible to calculate the total costs until such a process has taken place.
- 3.13 Licensing authorities can offer a reduction to best practice schemes that meet the following benchmarks specified in the Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012:
- A clear rationale as to why the scheme’s objectives and activities will, or are likely to, result in a reduction of alcohol-related crime and disorder.
 - A requirement for active participation in the scheme by members.
 - A mechanism to identify and remove in a timely manner those members who do not participate appropriately.

Levy Revenue

- 3.14 The net levy revenue must be split between the licensing authority and the relevant PCC. The licensing authority must pay at least 70% of the net levy revenue to the police.
- 3.15 There are no restrictions on what the PCC’s portion of the levy revenue can be spent on, in line with standard practice on the allocation of police funds. The licensing authority is able to retain up to 30% of the net levy revenue and must use the revenue to tackle late night alcohol-related crime and disorder and services connected to the management of the night-time economy.

Specifically, these activities must have regard to the connection with the supply of alcohol during the late night supply period and related to arrangements for:

- The reduction of crime and disorder;
- The promotion of public safety;

- The reduction or prevention of public nuisance; or
- The cleaning of any relevant highway or relevant land in the local authority area.

3.16 A licensing authority can deduct the costs it incurs in connection with the introduction, administration, collection and enforcement of the levy, prior to the levy revenue being apportioned between the police and licensing authority. Any financial risk relating to the levy revenue, such as lower than expected revenue or higher than expected costs rests at a local level.

Levy Charges and the Collection Process

Fee Band	Rateable Value	Rate of Levy	No of Properties	Total Amount
A	Nil to £4,300	£299	10	£2,990
B	£4,301 to £33,000	£768	63	£48,384
C	£33,001 to £87,000	£1,259	18	£22,662
D	£87,001 to £125,000	£1,365	1	£1,365
E	£125,001 and above	£1,493	5	£7,465
TOTAL				£82,866

3.17 The levy charges are based on the current licence fee system under the 2003 Act, with holders being placed in bands based on their premises rateable value.

3.18 The levy will be collected at the same time as the annual licence fee. The holder will, therefore, be required to pay the levy on an annual basis. Any payment of the levy which is owed to the licensing authority can be recovered as a debt due to the authority. Non-payment of the levy can result in suspension of a premises licence or suspension of club premises certificate.

Previous Consideration

3.19 In February 2012 Members were advised of the consultation on legislation for the late night levy which sought to extend times during which an additional charge could be imposed to help fund policing requirements resulting from late night or early morning drinking.

3.20 Members expressed concern that imposing more charges would damage the night-time economy particularly in Hinckley, which had already suffered from reduced business in the evening over the last few years.

3.21 Concern was expressed that the legislation was designed more for cities and not for towns with a small night-time economy.

Late Night Levy Locations

3.22 The following authorities have introduced a Late Night Levy:-

Newcastle City, the City of London, Nottingham City, Southampton City, Islington, Chelmsford, and Cheltenham.

3.23 The following authorities have rejected a Late Night Levy:-

Plymouth at a meeting held on 25 March, the Cabinet unanimously voted to postpone the introduction of a levy in favour of working with the local trade and awaiting the impact of the Home Office's consultation on locally set fees.

Woking - The Licensing Committee convened on 15th of October 2013 and voted not to introduce either a Late Night Levy or an Early Morning Restriction Order at this time.

Milton Keynes The full Licensing Committee approved the levy on 18th September and confirmed that the proposed implementation date is 1st May 2014. Full Council convened on 23 October 2013 and rejected the Late Night Levy proposal.

York - No current plans to have a levy and there is a partnership working with the BID in dealing with the late night economy.

4. FINANCIAL IMPLICATIONS [AG]

4.1 The maximum income from the levy will be £24,860. This represents thirty percent of the total income of £82,866. PCC will receive seventy percent of income. Members should note that as the licensing authority the Council is expected to consider the need for a levy in consultation with the PCC.

4.2 A deduction would need to be made for administration costs before income is apportioned. Administration costs for running the levy are still to be finalised.

4.3 The scheme has to be cost neutral; therefore any surplus arising from the levy will need to be reinvested for the benefit of night time economy.

4.4 If endorsed by the committee and the PCC, income and expenditure budgets and any money to be reinvested in the night time community will need to be approved in accordance with financial procedure rules.

5. LEGAL IMPLICATIONS [MR]

5.1 Contained in the body of the report.

6. CORPORATE PLAN IMPLICATIONS [RP]

6.1 May help improve public safety, protect children from harm and prevent public nuisance and crime and disorder within the Borough and thereby contribute towards the Council aims of creating a safe vibrant place to work and live.

7. CONSULTATION

7.1 No consultation has been undertaken as the report is for information only.

8. RISK IMPLICATIONS

- 8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Negative Press	The Council can prove that a late night levy is necessary for this borough and to ensure that the Council carry out a full consultation with all businesses that may be affected if it decides to implement a levy.	Mark Brymer

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 The report is for information only and informs members on what the late night levy power is. Should a Late Night Levy be introduced it will have an impact on all areas of the Borough.

10. CORPORATE IMPLICATIONS

- 10.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector

Background papers:

The Late Night Levy (Application and Administration) Regulations 2012.

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