

<b>LATE NIGHT LEVY BOARD COMMENCEMENT AND IMPLEMENTATION</b>	
<b>LICENSING COMMITTEE</b> <b>8 FEBRUARY 2018</b>	<b>CLASSIFICATION:</b> <b>Open</b> <b>If exempt, the reason will be listed in the main body of this report.</b>
<b>WARD(S) AFFECTED</b> <b>All Wards</b>	
<b>GROUP DIRECTOR</b> <b>KIM WRIGHT</b>	

## **1. INTRODUCTION**

- 1.1 On the 26<sup>th</sup> July 2017 the Council resolved to implement a Late Night Levy across the Borough the details of which are set out below. As part of the decision the council also resolved that a management board should be set up by the relevant Director and that the Licensing Committee should have a report on the agreed terms of reference.
- 1.2 This report presents the proposed terms of reference for the Management Board referred to as the Late Night Levy Board. The Terms of Reference are appended to this report.

## **2. RECOMMENDATION(S)**

### **2.1 The Licensing Committee is asked:**

- (i) to note the contents of the report and appendices.**

## **3. BACKGROUND**

- 3.1 Established under the Police Reform and Social Responsibility Act 2011, the late night levy (“the levy”) is a discretionary 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 an additional annual fee to persons who are licensed to sell alcohol in the local area late at night. The revenue raised is then used as a contribution towards the costs of policing the late night economy.
- 3.2 The levy must be paid annually by each premises licence or club premises certificate holder to the local authority. After deductions for introducing and administering the levy, the rate of the revenue split will be at least 70% to the Mayor of London’s Office for Policing and Crime (MOPAC), with the remainder being retained by the Licensing Authority. However, the legislation does not prohibit the Local Authority and Police coming to a separate agreement relating to the funds raised for the Police and this is what has been achieved for the LB Hackney.
- 3.3 The local authority must use its portion of the levy on activities, which must be related to mitigating the impact of the supply of alcohol within the specified hours, namely:
- *The reduction or prevention of crime and disorder,*
  - *The promotion of public safety,*
  - *The reduction or prevention of public nuisance,*
  - *The cleaning of any relevant highway or relevant land in its area.*

- 3.4 On 4 April 2016 the Licensing Committee considered a report on the powers to introduce the levy. The Licensing Committee recommended that the Council should consult on the introduction of the levy.
- 3.5 On 20 July 2016 the Council resolved to consult on a proposal to introduce the levy following the recommendation of the Licensing Committee. The consultation commenced on 13 February 2017 and concluded on 7 May 2017.
- 3.6 On 21 June 2017 the Licensing Committee considered the outcome of the consultation. Having considered the options and responses, the Licensing Committee made a recommendation for the Council to introduce the levy.
- 3.7 On 26th July the full Council agreed to adopt the levy with following resolution:
1. *The Council agrees:*
    - (i) *To note and consider the contents of the report and appendices.*
    - ii) *To introduce the Late Night Levy in Hackney on 1 November 2017*
    - (iii) *That the following will apply to the Late Night Levy:*
      - *The late night supply period be from 00:01 to 06:00*
      - *That no exemptions categories are to be applied*
      - *That no reduction categories are to be applied*
      - *The proportion of net levy payments to be paid to the Mayor of London's Office for Policing and Crime (MOPAC) will be 70%.*
  2. *The Council also agrees:*
    - (i) *That the Group Director for Neighbourhoods and Housing creates a management board in accordance with paragraph 4.5 of this report and reports back to the Licensing Committee an agreed terms of reference, and*
    - (ii) *To delegate to the Director of Legal to carry out and make any necessary constitutional changes that are required to the terms of reference of the Licensing Committee to bring recommendation 2.2(i) above into effect.*
- 3.8 Following the decision to introduce the levy and after relevant consultations it was resolved that a local management board will be established which would be responsible for making recommendations and overseeing how the revenue is spent. Critically it was determined that representatives from licensed premises liable to pay the levy would be invited to participate in this arrangement. The resolution was

communicated to MOPAC who agreed with this approach. It was also agreed that all the funds raised as a consequence of the levy would be spent only within the Borough.

- 3.9 The structure adopted is very similar to the arrangements in other authorities that have introduced the levy, such as Newcastle City Council and the London Borough of Islington. The Licensing Committee will oversee the establishment and operation of the Board. The administration of the board will be within the responsibility of the licensing section.

#### **4 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

- 4.1 This report presents the proposed terms of reference for the Management Board referred to as the Late Night Levy Board
- 4.2 The administration of the Board will be within the responsibility of the Licensing Service. The Board will be responsible for making recommendations and overseeing how income from the levy is spent.
- 4.3 70% of the levy after deducting administration costs is payable to the Mayor of London's Office for Policing and Crime (MOPAC). The remaining 30% will be retained by L.B Hackney. MOPAC has agreed that funds raised in Hackney from the Levy will only be disbursed to operations and activity within the Borough related to the impact of the night time economy.
- 4.5 The Licensing Service estimates that premises that are authorised and intend to sell alcohol between midnight and 6am, would generate a maximum gross income of £330,000 from the Late Night Levy. The actual income may reduce if there are a higher than expected number of operators applying to operate outside the levy period.

#### **5. COMMENTS OF THE DIRECTOR OF LEGAL SERVICES**

- 5.1 The introduction of the Police Reform and Social Responsibility Act 2011 ("the 2011 Act") allowed the Council to raise revenue to tackle the problems of crime and disorder that are caused by the night time economy by imposing a Late Night Levy ("the Levy") on those premises that are licensed for alcohol sales between midnight and 6.00 am. The powers to introduce the Levy come specifically within the 2011 Act and not by way of an amendment to the Licensing Act 2003.
- 5.2 Any levy imposed currently applies to all those in the borough that hold a licence to supply alcohol for the hours that the Levy operate from.
- 5.3 The legislation states that no less than 70% of the revenue raised must be given to the local policing body for the purpose of reducing or

preventing crime and disorder. The accompanying regulations stipulate that the revenue retained by the Local Authority, which can be no more than 30%, must be used on matters relating to crime and disorder, public safety, public nuisance and the cleaning of any relevant land or highway as a result of the NTE.

- 5.4 The 2011 Act does not prohibit the Local Authority and Police agreeing a separate agreement relating to the funds raised for the Police.
- 5.5 Following the consultation coming to an end on 7th May 2017, Full Council pursuant to Schedule 1 of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 decided to introduce the Levy on 1<sup>st</sup> November 2017.
- 5.6 The Late Night Levy Board (“the Board”) has been established to advise and oversee how the levy monies are to be spent. However, the Board has no actual decision making powers and will be providing recommendations to the relevant officer to determine how the levy monies should be spent.

## APPENDICES

### Appendix 1: Structure and Terms of Reference of the Late Night Levy Board

#### EXEMPT

Not applicable.

#### BACKGROUND PAPERS

See Appendix

<b>Report Author</b>	Robert Gardner Enforcement & Business Regulation Manager robert.gardner@hackney.gov.uk ☎ 020 8356 8567
<b>Comments of the Group Director of Finance and Corporate Resources</b>	Philip Walcott Group Accountant philip.walcott@hackney.gov.uk ☎ 020 8356 2396
<b>Comments of the Director of Legal Services</b>	Butta Singh Senior Lawyer – Licensing and Corporate butta.singh@hackney.gov.uk ☎ 020 8356 6295