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## **Late Night Levy**

**Licensing Committee's response to the  
consultation**

## **1. INTRODUCTION**

- 1.1 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 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.
- 1.2 On 4 April 2016 Hackney’s 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.
- 1.3 On 20 July 2016 Hackney Council started a consultation on a proposal to introduce the levy from 1 November 2017 following the recommendation of the Licensing Committee. The consultation commenced on 13 February 2017 and concluded on 7 May 2017.

## **2. CONSULTATION**

- 2.1 A total of 1124 letters were sent to relevant persons as part of the consultation process. Also enclosed with the letter was a statutory notice of the consultation, some background information and details of the online consultation. A summary document was also prepared and paper copies of the consultation questions were made available.
- 2.2 A total of 71 responses were received during the consultation period. This consisted at 62 survey responses and 9 open-ended submissions sent direct to the Licensing Service.

## **3. DECISION**

- 3.1 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.
- 3.2 On 26 July 2017, Full Council considered the outcome of the consultation. Having considered the options and responses, it was decided to introduce the levy as follows:
  - 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%.

- 3.3 The report to Full Council also stated that a full response to the consultation will be prepared and considered by a future Licensing Committee.

## **4. SUMMARY OF RESPONSES**

- 4.1 The overall response from the 62 online consultation respondents was slightly more in support of the late night levy. The percentage difference stands at 4.92% which suggested there was an even mix of support and opposition for to the introduction of the late night levy.
- 4.2 The majority of respondents stated they were 'Hackney residents', and of these just over 69% supported the introduction of a late night levy. This means that just under 31% of Hackney residents opposed the introduction of a late night levy.
- 4.3 Of the 21.74% of 'premises licence holder' respondents, just under 93% of those are opposed to the introduction of a late night levy. Of the 13.04% of 'trade or other Hackney business' respondents, there is a fairly even mix of support and opposition. Those who support account for 44.44% (4) and those who oppose account for 55.56% (5).
- 4.4 N16 postcode area had the highest percentage of respondents who supported the late night levy, with E8 have the highest percentage of respondents who opposed it.
- 4.5 The ranking question asking respondents to indicate their preferences for how the Council and Police should spend the revenue raised by the levy, clearly showed two preferred options which ranked higher than the others. These were '*Additional police officer patrols across the borough*' and '*Joint patrols and operations by police and council officers including wardens, so that there is maximum coverage of the borough and best use of resources*'.

## **5. KEY THEMES**

### **Financial Implications**

- 5.1 The amount of levy payable is dependent on the non-domestic rateable value of the premises. This is the same as the existing licence fee structure under the Licensing Act 2003 that is set by central government.
- 5.2 A number of responses raised the additional financial burden as a potential negative impact of the levy. References were made to the levy as an unfair tax which could in some cases lead to unsurmountable expense for businesses. These costs are also exacerbated by the recent increases in business rates. However, premises in the lowest fee band (Band A) would face an additional annual cost of £299, or £5.75 per week. Whilst premises in the highest

fee band (Band E) would be required to pay an additional £1493, or £28.71 per week. These costs are considered to be very low, and it is felt that the potential to use the income to put in place additional measures to tackle the negative harm caused by availability of alcohol late night far outweighs the small cost to businesses.

- 5.3 One respondent made reference to the potential change to licence fees being considered by the Government. However, changes to fees have been under consideration for some years now and are yet to be amended despite a number of previous consultations on the matter.

### **Business Improvement Districts**

- 5.4 A number of responses made reference to Business Improvement Districts (BIDs) as a more suitable alternative to the levy.
- 5.5 A BID is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area. The maximum period that a BID levy can be charged is for 5 years.
- 5.6 There is no limit on what projects or services can be provided through a BID. The only requirement is that it should be something that is in addition to services provided by the local authority. Improvements may include, but are not limited to, extra safety/security, cleansing and environmental measures.
- 5.7 A BID can be set up by the local authority, a business rate payer or a person or company whose purpose is to develop the BID area, or that has an interest in the land in the area.
- 5.8 As highlighted during the consultation, there are no BIDs in Hackney at the current time, but this is not to say that one could not be set up in the future. If a BIDs is set up, there is nothing to stop further consultation on the levy to consider either a reduction to businesses within the BID area or withdrawal of the levy altogether.

### **Other Authorities**

- 5.9 It was noted that some responses made reference to the low number of local authorities that have adopted the levy provisions. Specific references were made to the decision made by Cheltenham Borough Council to withdraw the levy in the area. However, of the low number of authorities to adopt the levy, it should be noted that Hackney shares a border with two of those authorities (City of London and LB Islington). It should also be noted that LB Tower Hamlets, another of Hackney's neighbours, is also going through the process of introducing the levy. This suggests that authorities in this part of London do still see the levy as a useful tool.

- 5.10 According to the Government, authorities that have introduced the levy have used the revenue to fund important initiatives, such as additional police officers and community protection officers, and projects designed to benefit those working and socialising in the night time economy, measures to reduce sexual harassment within clubs, first aid training for staff, taxi marshals and street cleaning.

### **Post-Legislative review by the House of Lords Select Committee**

- 5.11 It has been noted that the House of Lords Select Committee established to scrutinize the Licensing Act 2003 were critical of the late night levy provisions concluding that “...*on balance that it has failed to achieve its objectives, and should be abolished. However, we recognise that the Government’s amendments may stand some chance of successfully reforming the Levy...*”
- 5.12 In its response to this, the Government remains committed to the levy and noted the forthcoming provisions under the Police and Crime Act 2017 that will amend the levy provisions, which include:
- Allowing licensing authorities to target the levy in geographical areas where the night time economy places demands on policing;
  - Giving licensing authorities the power to charge premises licensed only to sell late night refreshment
  - Requiring licensing authorities to publish information about how the revenue raised from the levy is spent.
- 5.13 As mentioned above, there is nothing in legislation that prohibits further consultation on the levy to consider the changes that will be allowed under the new provisions as well as withdrawal of the levy altogether.

### **Reductions/Exemptions**

- 5.14 The Council decided not to offer any reductions nor exemptions as permitted under the levy provisions. This included hotels with authorisations only permitting alcohol sales during the levy hours on New Years’ Eve.
- 5.15 There are now a number of ‘destination hotels’ in the Borough. Although primarily acting as hotels in the traditional sense, where alcohol is supplied to hotel residents and guests, the destination establishments, whilst generally well run, do consist of a significant amount of trade from non-residential guests. These could be diners at attached restaurants but could also be ordinary members of the public able to make use of vertical drinking facilities. It is this element that leads the Licensing Committee to view these as no different from ordinary drinking establishments, hence the levy was applied to hotels. Furthermore, according to planning records, a number of new hotels are either under construction, consented, or planning

5.16 And in relation to the Council's decision not to exempt New Years' Eve, the Licensing Committee were aware that this day requires a significant amount of police resource across the borough. Hence the position is that New Years' Eve would not be exempted.

## **6. ACKNOWLEDGEMENTS**

6.1 The Licensing Committee would like to thank all those who took the time to respond to the consultation. Respondents included businesses and employees in the hospitality sector, medium-sized enterprises, as well as other representatives of community.