

<b>LATE NIGHT LEVY – REPORT FOLLOWING THE END OF YEAR 1</b>	
<b>LICENSING COMMITTEE</b>  <b>16 JANUARY 2019</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, NEIGHBOURHOODS AND HOUSING</b>  <b>KIM WRIGHT</b>	

## **1. INTRODUCTION**

- 1.1 This report has been prepared to provide the Licensing Committee with an update on the Late Night Levy (“the Levy”) following the end of the first year of its operation.

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

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

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

## **3. BACKGROUND**

- 3.1 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.
- 3.2 The Council consulted on the introduction of the Levy from 13 February 2017 until 7 May 2017. And following a recommendation by the Licensing Committee on 21 June 2017, the Council decided to introduce the Levy at its meeting on 26 July 2017. The effective date of the Levy was 1 November 2017.
- 3.3 Key factors considered when introducing the levy included:
- That the legislation requires the net revenue to be split with at least 70% allocated to the Police and the remainder retained by the Licensing Authority.
  - The estimate by Hackney Police of the cost of policing the night-time economy of around £1.4 million annually, of which £890,000 is specifically required to fund the dedicated Night-Time-Economy teams.
  - Evidence of a correlation between the locations of licensed premises and the level of crime and disorder
  - The establishment of a local management board responsible for overseeing how the revenue is spent.
  - 429 premises were authorised to sell alcohol between 00:01 and 06:00, with an estimate maximum income of £395450.
  - A voluntary levy in place the key NTE areas of Shoreditch and Dalston would no longer continue.
  - That no exemptions nor reductions would apply

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

- 4.1 This report has been prepared to provide the Licensing Committee with an update on the Late Night Levy (“the Levy”) following the end of the first year of its operation.
- 4.2 The Council would be entitled to retain up to 30% of income receipts after deducting administration costs and exemptions. The eventual percentage allocation and the use of the Police’s income share will be agreed in negotiations with the Chief Police Officer and MOPAC.
- 4.3 The Licensing service has recorded £414,758 for the 12 month period commencing 1 November to 2017 (Year 1).
- 4.4 In year 1 ( 1 November 2017 to 31 October 2018), the Council utilised £20k from the Levy for set up and administration costs, and the Licensing Service has proposed a further £56k from the Levy as a contribution to the cost of Enforcement Patrols. The utilisation funds in the current and future years will be assessed by the Management Board.

#### **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 The Council adopted the Late Night Levy in accordance with s125 (2) of the Act 2011 on 26 July 2017. The Levy took effect from 1 November 2017.
- 5.3 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.
- 5.4 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.
- 5.5 The 2011 Act does not prohibit the Local Authority and Police agreeing a separate agreement relating to the funds raised for the Police. As

such the police can then allocate their share of the levy back to the council to support local initiatives.

- 5.6 The Late Night Levy Board (“the Board”) has also 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.
- 5.7 The levy applies indefinitely until the Council decides that the levy will cease to apply in its area. This would require consultation prior to any decision being made.

## **APPENDICES**

None.

## **EXEMPT**

Not applicable.

## **BACKGROUND PAPERS**

None.

<b>Report Authors</b>	<p>David Tuitt  Business Regulation Team Leader  (Licensing and Technical Support)  david.tuitt@hackney.gov.uk  ☎ 020 8356 4942</p> <p>Subangini Sriramana  Senior Licensing Officer  subangini.sriramana@hackney.gov.uk  ☎ 020 8356 4915</p>
<b>Comments of the Group Director of Finance and Corporate Resources</b>	<p>Deirdre Worrell  Director – Neighbourhoods and Housing Finance  deirdre.worrell@hackney.gov.uk  ☎ 020 8356 7350</p>
<b>Comments of the Director of Legal Services</b>	<p>Butta Singh  Senior Lawyer – Licensing  butta.singh@hackney.gov.uk  ☎ 020 8356 6295</p>