
The Late Night Levy

Year 1 Report

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1. Summary

- 1.1 This report has been prepared to provide the position on the Late Night Levy following the end of the first year of its operation on 31 October 2018. Home Office guidance on the levy recommends that licensing authorities may wish to review the requirements for the levy at appropriate intervals.
- 1.2 The late night levy is a provision established under the Police Reform and Social Responsibility Act 2011. It enables licensing authorities to charge an additional annual fee to persons who are licensed to sell alcohol between midnight and 6am. The revenue raised is then used as a contribution towards the costs of policing the late night economy and other arrangements for the reduction or prevention of crime and disorder, in connection with the supply of alcohol.
- 1.3 The Council held a public consultation on the introduction of the levy which ran from 13 February 2017 to 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.
- 1.4 Hackney is an established centre for culture and leisure in London with around 1300 premises licensed under the Act in an area of 19 square kilometres.
- 1.5 Evidence also suggests a correlation between the locations of licensed premises and the level of crime and disorder. This is highlighted in Fig 1 below which maps incidents of alcohol flagged crime over a 5 year period commencing April 2011.

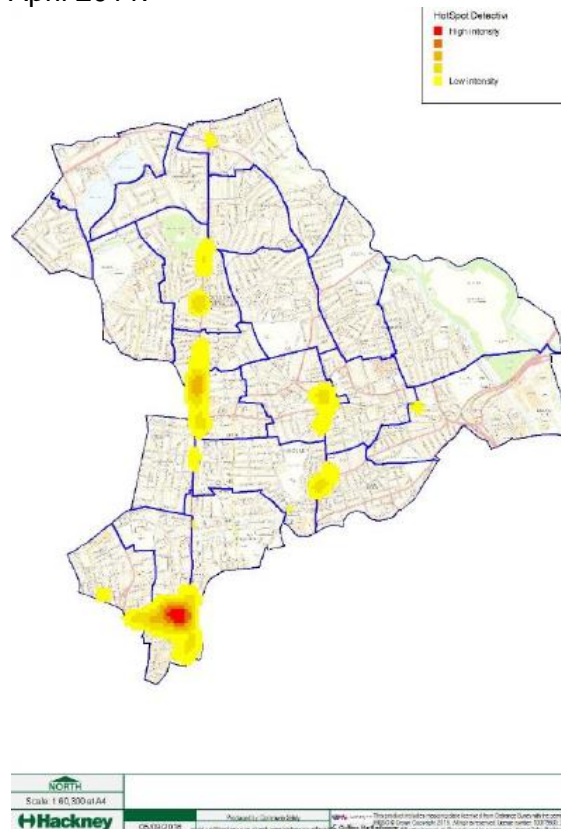


Fig 1: Alcohol flagged crime hotspots

- 1.6 The levy is paid annually by each premises licence or club premises certificate holder at the same time as the annual fee. Where an authorisation is granted within the year, the holder has two weeks to pay the levy contribution from the date the authorisation was granted.
- 1.7 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.
- 1.8 The Council has power to exempt certain premises from paying the levy. In addition, a reduction of up to 30% can apply to premises that are in receipt of Small Business Rate Relief and have a rateable value of £12,000 or less and operators participating in a suitable best practice scheme. However, the Council agreed that the late night supply period would be 00:01 to 06:00 and that no exemptions or reductions would apply.

2. The Local Management Board

- 2.1 As part of the consultation, the Council said that it would establish a local management board as recommended by the Home Office. The board would be responsible for overseeing how the revenue is spent.
- 2.2 The Licensing Committee agreed a management structure and Terms of Reference for the Board at the Committee meeting on the 8 February 2018.
- 2.3 The Board had its first meeting on 24 May 2018, a second meeting on 27 September 2018 and the third meeting on 14 December 2018. Representatives of the Council, Licensing Committee, Police and licensing trade have been present at all of the meetings.

3. Income and Expenditure

3.1 The revenue collected exceeded the amount forecasted during the consultation. This is due to a number of factors including the re-rating of non-domestic rateable value bandings, authorisations approved during the year and a lower than expected amount of licences surrendered.

3.2 The table below analyses the Year 1 income and expenditure.

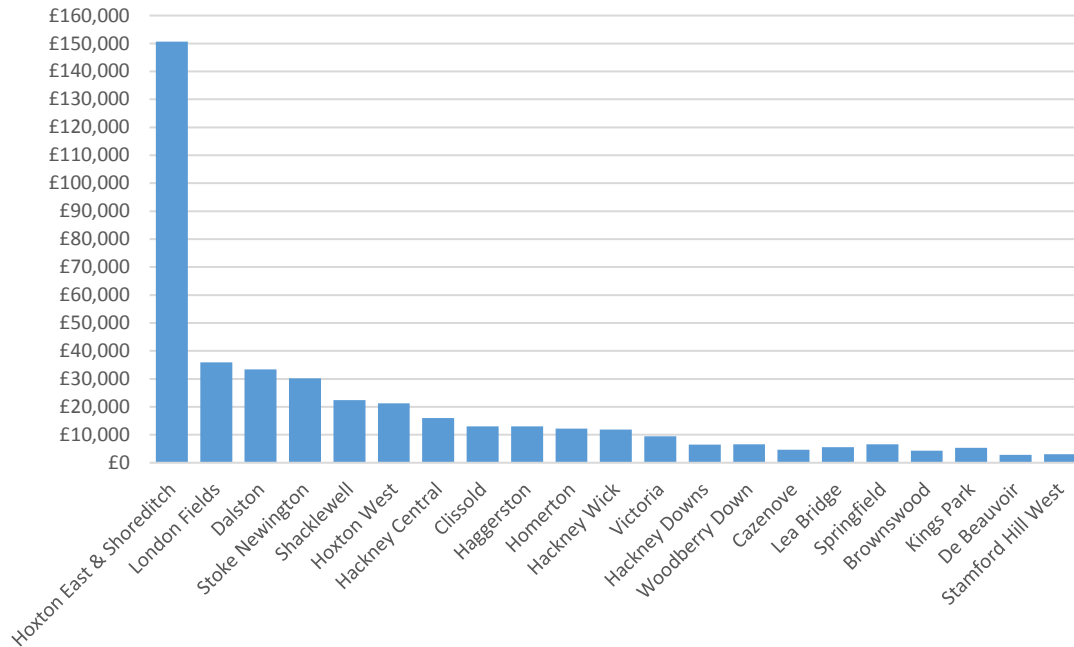
Income	
Total payments from 418 liable authorisations	£414, 758
Expenditure	
Year 1 set up and administration costs (Includes 26 free minor variations)	£20,266.00
Metropolitan Police New Years' Day	£5944.00
Enforcement Patrols	£56,068
Total Spend	£82,278
Surplus to be carried into Year 2	£332,480

3.3 The table below shows the number of authorisations liable for payment and income collected in each of the Boroughs 21 wards:

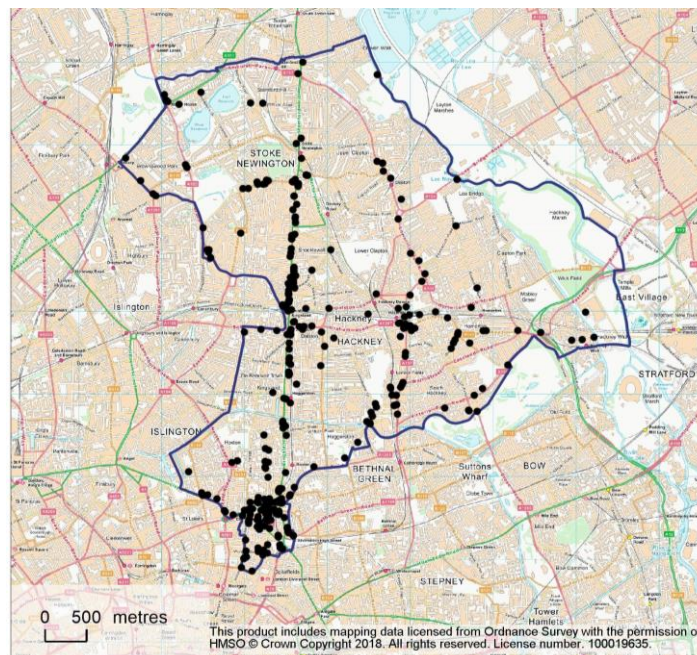
Ward	Number of liable authorisations	Income
Brownswood	5	£4331
Cazenove	6	£4630
Clissold	15	£12993
Dalston	37	£33348
De Beauvoir	3	£2795
Hackney Central	18	£16021
Hackney Downs	7	£6464
Hackney Wick	12	£11927
Haggerston	15	£12993
Homerton	15	£12245
Hoxton East and Shoreditch	128	£150698
Hoxton West	20	£21206
Kings Park	5	£5313
Lea Bridge	6	£5590
London Fields	41	£35968
Shacklewell	26	£22423
Springfield	6	£6572
Stamford Hill West	3	£3029
Stoke Newington	34	£30147
Victoria	9	£9473
Woodberry Down	7	£6592
Totals	418	£414758

3.4 As expected, Hoxton East and Shoreditch ward accounts for the largest proportion of the income. This is due to the large concentration of licensed premises in this ward and the Shoreditch area in general.

3.5 This is further illustrated when analysing the data in the Chart below; Hoxton East and Shoreditch ward accounts for over 4 times the amount of the next highest ward, which was London Fields.



3.6 Mapping the locations highlights the spread of premises affected by the levy across the Borough. A concentration can be seen in and around the Shoreditch Triangle. Premises are also located along the main arterial routes such as the A10 (Stoke Newington Road/High Street, Kingsland Road/High Street, Shoreditch High Street), Mare Street and Upper/Lower Clapton Road.



- 3.7 As stated above, at least 70% of the net revenue collected by the levy must be paid to the Police. However, on 5 December 2017 the Mayors' Office for Policing and Crime (MOPAC) confirmed that the income would be pooled and the allocations of spend determined by the Management Board.
- 3.8 Prior to the consultation on the Levy, Hackney Police estimated the cost of policing the night-time economy to be around £1.4 million annually, of which £890,000 is specifically required to fund the dedicated Night-Time-Economy teams at the time.
- 3.9 Police spend in Year 1 has been impacted by the Metropolitan Police roll out of the Basic Command Units (BCUs) during 2018. The BCUs saw single borough command units replaced with operational police structures that cover between two and four local authorities. After initial pilots in Barking and Dagenham, Havering and Redbridge and Camden and Islington, Hackney Police and Tower Hamlets Police merged into one BCU.
- 3.10 The Police were initially unable to commit dedicated resources funded by the levy during Year 1. However, an initial forecast of £170K has been provided for Year 2 and beyond for additional dedicated resource over and above the spending referred to in Paragraph 3.8 above. This will be used to fund an additional sergeant and four constables. It is understood that posts have been advertised and will be filled in early 2019. It is anticipated that this will give greater flexibility to provide resource to the range of Hackney's Night Time Economy areas including those outside the busiest areas of Shoreditch and Dalston.
- 3.11 Council Enforcement Officer patrols previously funded by a voluntary levy in Shoreditch and Dalston continued as part of the scheme. No further voluntary contributions were made after October 2017. Officer patrols and associated activity accounted for over £56,000 of the expenditure in Year 1.
- 3.12 Slightly over £20,000 was spent in Year 1 on set-up and administration costs. This included statutory notices in the local press, development of an online payment portal and processing costs of the 26 free minor variations received.

4. Conclusion

- 4.1 It is anticipated that the revenue collected Year 2 will be consistent with Year 1. However, a slight increase is expected due to continued growth in the night-time economy.
- 4.2 As well as overseeing the spend of income collected in Year 2, the Management Board will assess and develop proposals on the use of the surplus income from Year 1. Additional Police and Council enforcement officer patrols were amongst the suggestions raised during the consultation. Other options included funding for CCTV monitoring, pop-up/portable toilets and removal of waste associated to the night-time economy.
- 4.3 Furthermore, the Management Board has already committed resource to fund the following activities in Year 2:
- An additional Public Space Surveillance Officer is deployed over the course of the festive period. This officer will be in place to monitor/operate mobile CCTV from 21:00 to 05:00 up to and including New Years' Day.

- A new Safer Socialising Campaign to be developed with the Media and Communications Service.
- The appointment of a Night Time Economy Manager with duties including coordination of activities associated with the Levy.