

PROPOSAL TO CONSULT ON CHANGING THE TERMS OF THE LATE NIGHT LEVY IN HACKNEY

LICENSING COMMITTEE

10 MARCH 2021

CLASSIFICATION:

OPEN

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

ALL WARDS

GROUP DIRECTOR, NEIGHBOURHOODS AND HOUSING

AJMAN ALI

1. INTRODUCTION

1.1 This report has been prepared to provide the Licensing Committee with information relating to a proposal to consult on a change to the Late Night Levy to enable a 30% reduction to licences meeting certain criteria.

2. RECOMMENDATION(S)

2.1 That the Licensing Committee notes the report and approves a consultation on changing the terms of the Levy.

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 The Act allows for an authority to exempt certain types of business from having to pay the Levy. These include country village pubs, community amateur sports clubs and where a licence authorises extended hours on New Years' Eve only.
- 3.4 The Act also allows for the amount of Levy payable to be reduced by 30% where a business with a non-domestic rateable value less than £12,000 receives small business rates relief. The reduction can also be applied to businesses participating in a "relevant arrangement" such as a business-led best practice scheme. Upon introducing the Levy in Hackney, the Council decided not to apply any exemptions or reductions.
- 3.5 The Licensing Service are now seeking to introduce a best-practice scheme which would enable participating licensees a 30% reduction to the Levy payment annually. The possibility of a reduction would apply from Year 5 of the Levy at the earliest.

4. PROPOSAL TO CONSULT ON A CHANGE TO THE LEVY TO ENABLE A REDUCTION OF 30%

- 4.1 The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012 set out the requirements which a "relevant arrangement" must meet to enable participating licence holders to receive a reduction. The arrangement must:
- Be established for purposes which include relevant purposes
 - Require its members to take steps to promote the relevant purposes, and
 - Must contain provision for the cessation of the membership of a holder of a relevant late night authorisation who has failed to take steps to promote the relevant purposes.
- 4.2 The table below sets out the Levy amounts payable and the reduction to be received if a business were to qualify.

Band	Rateable value	Levy payable	30% reduction amount	Levy payable after reduction applied
A	£0 to £4,300	£299	£89.70	£209.30
B	£4,301 to £33,000	£768	£230.40	£537.60
C	£33,001 to £87,000	£1,259	£377.70	£881.30

D	£87,001 to £125,000	£1,365	£409.50	£955.50
E	£125,001 & above	£1,493	£447.90	£1,045.10

- 4.3 The table below shows the estimated number of relevant licences per band in the Borough along with the forecasted Levy receipts at present.

Band	Estimated number of licences liable to the Levy	Forecasted amount of Levy to be collected annually
A	12	£3,588
B	228	£175,104
C	110	£150,150
D	24	£32,760
E	57	£85,101
	TOTAL	£446,703

- 4.4 It is difficult to estimate the number of licence holders that will (a) participate in the scheme and (b) achieve accreditation enabling a 30% reduction. Therefore, it is anticipated that the consultation will facilitate the collection of data to gauge how much interest there would be in such a scheme if it were in place.
- 4.5 Any changes to an existing levy can only be made following the same process of that undertaken to introduce the power. The Licensing Service proposes to commence this process by holding a consultation before reporting back to the Licensing Committee ahead of a decision by Full Council. Reductions could apply to businesses meeting the criteria from Year 5 at the earliest.

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 5.1 The cost of carrying out the consultation is to be taken from Levy receipts. No other observations at this stage.

6. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

- 6.1 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.

- 6.2 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.
- 6.3 Any levy imposed currently applies to all those in the borough that hold a licence to supply alcohol for the operational hours of the Levy.
- 6.4 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.
- 6.5 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.
- 6.6 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.
- 6.7 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.
- 6.8 The Licensing Committee and the Group Director for Neighbourhoods and Housing are authorised under the Council’s Constitution to approve the recommendations in paragraph 2 of this report to approve a consultation on changing the terms of the Late Night Levy.

APPENDICES

None.

EXEMPT

Not applicable.

BACKGROUND PAPERS

Not applicable.

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