



LICENSING COMMITTEE REPORT

Report Title	Late Night Levy
---------------------	------------------------

AGENDA STATUS: PUBLIC

Committee Meeting Date: 19th June 2012

Directorate: **Customers and Communities**

1. Purpose

1.1 This report will provide the Licensing Committee an update in relation to the proposed introduction of the Late Night Levy and an approximation of the income and expenditure associated with it.

2. Recommendations

2.1 That the report be noted and no action or decisions will be taken until legislative changes confirmed

3. Issues and Choices

3.1 Report Background

3.1.1 The Police Reform and Social Responsibility Act has introduced amendments to the Licensing Act 2003. Further amendments are expected in October and those changes are expected to include the introduction of a Late Night Levy.

3.1.2 The late night levy is a power for licensing authorities to introduce a charge for premises that have a late alcohol license between the hours of midnight and 6 a.m. It allows licensing authorities to charge those businesses for the extra enforcement costs that the night-time economy generates for police and local authorities. Whether or not to implement the levy will be left entirely at the discretion of the licensing authority that will make the decision based on the situation in their local area. In the areas that it is introduced the levy will be collected annually and the revenue will be split between licensing authorities

and the police. After deductions for administering the levy, the rate of the split is currently 70% Police, 30% Local Authority. The Police do not have to spend their proportion of the levy in the local area where it has been collected, or on policing associated with alcohol related crime and disorder. Should the Committee decide for the introduction of a late night levy, a period of public consultation will be required.

3.1.3 The late night levy will be set at a national level. While the final detail will be confirmed in secondary legislation. It is currently anticipated the following charges will be:

Rateable value bands	A No rateable value to £4,300	B £4,301 to £33,000	C £33,001 to £87,000	D £87,001 to £125,000	E £125,001 and above	Dx2 Multiplier applies to premises in category D that primarily or exclusively sell alcohol	Ex3 Multiplier applies to premises in category E that primarily or exclusively sell alcohol
Annual levy charge	£299	£768	£1,259	£1,365	£1,493	£2,730	£4,440

In areas where the licensing authority decides to apply the levy it will affect all premises (both in the on-trade and the off-trade) that are licensed to sell alcohol during the hours to which the levy applies. It will be up to the licensing authorities to decide the time at which the levy applies in their area, although it will be restricted to applying between the hours of midnight and 6am.

3.1.4 Exemptions and Reductions.

Consideration is being given centrally for reductions or exemptions from the levy for businesses that are for example, in a Business Improvement District or members of Pubwatch. Further, there may be types of premises - such as certain hotels with a late night license for mini-bars in rooms - who do not benefit from the policing of the late night economy. There will be hotels whose guests drink in the hotel bar or at functions, such as weddings and parties, who go out later in the evening and benefit from the policing of the late night economy. And there may be bars who are members of best practice schemes but who are not fulfilling their duties under these schemes. For these reasons, the categories of exemptions and reductions will be optional so that licensing authorities have the discretion to decide what is appropriate for their own circumstances.

3.2 Income and Expenditure

3.2.1 Disregarding potential exemptions or reductions in the levy to be charged, the table below shows the number of premises that would be affected by the Levy and the income generated.

	Number of businesses	Band Income	Administration Deductions *	Police	NBC
Band A	21	£ 6,279	£ 630	£ 3,954	£1,694
Band B	84	£64,512	£2,520	£43,394	£18,597
Band C	39	£49,101	£1,170	£33,551	£14,393
Band D	13	£17,745	£ 390	£12,148	£5,206
Band E	18	£26,874	£ 540	£18,433	£7,900
Total	178	£164,511	£5,340	£111,480	£ 47,790

*Administration cost based on average cost of £30 per invoice

- 3.2.2 The Committee should consider that a significant number of businesses that would currently be liable, and are included in the table above have licenses to sell alcohol up until 1 a.m. There are 24 premises permitted to sell until 00:30 a.m. and a further 60 until 1 a.m. There are also 5 premises that are only permitted to sell after midnight on bank holidays. It is possible that some of these premises will decide that the cost of the levy may not be worth the continued selling of alcohol after midnight.
- 3.2.3 If all of the premises that are currently allowed to sell alcohol up until 1 a.m. were to apply for a variation to midnight, this would result in a reduction in the amount levied before any deductions to £75,503. After deductions this would result in £51,088 being allocated to the Police, and £21,894 allocated to the Licensing Authority.
- 3.2.4 The Committee should also note that the Licensing Authority would not be allowed to charge for any variation to reduce hours of sale of alcohol as a result of the implementation of the late night levy. This would have an impact on the Licensing service as the relevant number of variations would need to be processed. However, this would be a one off process and any financial impact would be offset against the income received from the late night levy.
- 3.2.5 Further work needs to be undertaken when secondary guidance is received to ascertain potential exemptions from the Levy for business in the Business Improvement District, members of Pubwatch etc. This could have a significant income on the Committee's final decision as to introduce the levy.
- 3.2.6 The Committee will also need to consider the impact of Early Morning Restriction Orders (EMRO) which are also likely to be introduced in October. A report will be provided for the Committee at a future meeting to discuss their potential impact.

3.3 Choices (Options)

At this stage, this report is for information only and to give an idea of the considerations that the committee will need to give to implementing a night levy.

4. Implications (including financial implications)

None at this stage

4.1 Policy

4.1.1 Not at this stage.

4.2 Resources and Risk

4.2.1 None at this stage

4.3 Legal

The Committee should be aware that this Legislation has not yet come into force and there are still a lot of discussions taking place with regards to secondary legislation and Government Guidance. Therefore, the content of this report is subject to change

4.4 Equality

4.4.1 No equality issues have been identified at this stage but an Equality Impact Assessment will need to be completed prior to any decision being made.

4.5 Consultees (Internal and External)

4.5.1 All relevant internal departments have been consulted.

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 Home Office Guidance – Late Night Levy

Bill Edwards, Senior Licensing Officer
8986