

LICENSING ACT COMMITTEE

18 November 2014

LICENSING ACT 2003 - LATE NIGHT LEVY

Report of the Director for Places
(Environment, Planning and Transport)

STRATEGIC AIM:	Creating a Safer Community for all Creating an active and enriched community
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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to consider the feasibility of a late night levy in Rutland.

2. RECOMMENDATIONS

- 2.1 **That the Committee note that the implementation of a late night levy is not appropriate for Rutland at this time.**

3. BACKGROUND

- 3.1 The Police Reform & Social Responsibility Act 2011 introduced a number of changes to the Licensing Act 2003. Since 31 October 2012 discretionary powers have been available to local authorities to deal with alcohol related crime and disorder, namely the late night levy.
- 3.2 The decision to introduce the late night levy (“the levy”) is an option available to all licensing authorities in the whole of their respective areas. The levy would be payable by the holders of any premises licence or club premises certificate (“holders”), in relation to premises in the authority’s area, which authorise the sale or supply of alcohol on any days during a period (the “late night supply period”) beginning at or after midnight and ending at or before 6am, regardless of the size and nature of the premises.
- 3.3 A late night levy should only be introduced where it can be demonstrated that there is significant alcohol related antisocial behaviour issues within the night time economy and where existing controls have failed. A levy must not be used as an income generation stream.
- 3.4 A local authority will normally explore the possibility of introducing a levy at the request of the Police. This should be supported by data demonstrating the need for the levy and should be supported by the Police Crime Commissioners Office.
- 3.5 The licensing authority can deduct administrative expenses from the gross levy revenue. The police would then receive 70% of the net revenue, with the remaining 30% going to the licensing authority.

- 3.6 The licensing authority's portion must be spent on services connected with the management of the night time economy that are targeted at dealing with alcohol related crime and disorder. The act does not specify how the Police's portion of the levy is to be spent.
- 3.7 The amount of the levy will be set at a national level. The charge is calculated according to rateable value. This system applies to the existing licence fee and the levy charge will be collected alongside the annual licence fee. The following charges will apply to the levy:

Rateable Value bands		Annual charge
A	No rateable value to £4,300	£299
B	£4,301 to £33,000	£768
C	£33,001 to £87,000	£1,259
D	£87,001 to £125,000	£1,365
E	£125,001 and above	£1,493
D X 2	Multiplier applies to premises in category D that primarily or exclusively sell alcohol	£2,730
E X 3	Multiplier applies to premises in category E that primarily or exclusively sell alcohol	£4,440

- 3.8 The levy will not apply to Temporary Event Notices (TENS).
- 3.9 There are 27 licensed premises that fall within the late night levy supply period (12am to 6am). The levy could also capture premises that have standard opening hours that finish before midnight but also have non-standard timings (extensions) to open after midnight on St Patricks Day or New Year's Eve for example.
- 3.10 The Council can offer exemptions to the levy if it sees fit (for example for premises that are within the late night levy supply period but outside the night time economy catchment area, or as mentioned above where non-standard timings are in operation).
- 3.11 The maximum income that could be expected if all 27 premises were subject to the levy would be in the region of £20,333. This can be broken down as follows:

Rateable Value	A	B	C
Annual levy charge	£299	£768	£1,259
Number of premises	4	20	3
Total levy per band	£1,196	£15,360	£3,777
Maximum income from levy	£20,333		

- 3.12 It should also be noted that where a premises is subject to the levy and they wish to amend their licence to reduce their authorised timings to escape the levy, the Council must offer a variation of the licence free of charge. They would then be able to use a Temporary Event Notice (TEN) to operate after midnight on 12 occasions for a total of 21 days.

- 3.13 In an exercise carried out in 2012 by officers when a levy was previously discussed a questionnaire was sent to all premises licensed to sell alcohol after midnight. They were asked if a levy was introduced would they pay or amend their timings on the licence. At the time only 2 premises indicated that they would pay the levy.
- 3.14 A licensing authority can deduct the costs it incurs in connection with the introduction or variation, administration, collection and enforcement of the levy prior to the levy revenue being apportioned between the police and licensing authority.
- 3.15 Given the above assumptions and taking into consideration the significant exemptions that may be required, a more realistic estimate for gross income generated by a levy would be below £5,000. Once administration and other associated costs have been accounted for the net income is likely to be below £2,000, with the council retaining £600 and the police receiving £1,400.

4 POSSIBLE ADVANTAGES OF IMPLEMENTING A LEVY

- 4.1 Some of the costs of policing the late night economy will be recovered although unlike licensing authorities, there are no restrictions on the police portion of the levy revenue.
- 4.2 There could be an increase in business led best practice schemes due to the applicable reduction categories (a licensing authority can offer a reduction of 30% to premises that are in receipt of Small Business Rate Relief and have a rateable value of £12,000 or less. The reduction is only available to premises that supply alcohol for consumption on the premises and membership of a suitable best practice scheme designed to reduce alcohol crime and disorder).

5 POSSIBLE DISADVANTAGES OF IMPLEMENTING A LEVY

- 5.1 The introduction of the Licensing Act 2003 led to more staggered opening hours in licensed premises. This somewhat reduces problems of nuisance and crime and disorder as there are not large concentrations of drinkers leaving premises at the same times. As indicated above it is likely that licensed premises will vary their licence in order to avoid the levy, reverting back to more uniform closing hours.
- 5.2 The levy may produce a negative effect on the night time economy and has been the source of most of the objections raised in other parts of the country. If neighbouring authorities do not introduce the levy, businesses may not choose to locate or expand in Rutland.

6 RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	There are no required timeframes for consideration.
Viability	High	The levy is not practical.
Finance	Medium	The levy would not generate significant income but may harm the night time economy.
Profile	Medium	The levy would be expected to raise significant public and press interest.
Equality and Diversity	Low	EIA screening would be required if a levy were to be introduced.

7 CONCLUSIONS

- 7.1 There is no apparent evidence that there is a significant alcohol related antisocial behaviour problem within the night time economy. Where problems arise and can be attributed to a few premises these should be addressed appropriately using conventional methods within legislation.
- 7.2 The level of income generated by the scheme would not offer significant benefits to the Council or the police.
- 7.3 It would be very unlikely for there to be an increased visibility of policing during the hours from midnight to 6am therefore the council and police could be subject to criticism and not be able to justify the scheme.
- 7.4 The levy is designed to provide additional income in large cities with vibrant late night economy's where alcohol related anti-social behaviour is a major issue. This provides councils and the police additional income in order to tackle these problems. Rutland does not lend itself to this type of night time economy and therefore it would not be appropriate to introduce a levy.
- 7.5 The introduction of the Licensing Act 2003 led to more staggered opening hours in licensed premises. This somewhat reduces problems of nuisance and crime and disorder as there are not large concentrations of drinkers leaving premises at the same times. The introduction of a late night levy would again result in a greater concentration of drinkers leaving premises at the same time.
- 7.6 A levy could also have a negative effect on the night time economy, and has been the source of most of the objections raised in other parts of the country. If neighbouring authorities do not introduce the levy, businesses may not choose to locate or expand in Rutland.
- 7.7 Unlike bigger cities with a much larger nightclub culture there are only a handful of premises in Rutland that would fall into the higher rateable band, most are at the opposite end and would result in low revenue levels. The levy would also not apply to Temporary Event Notices.
- 7.8 Any decision to implement a Levy is required to be heavily evidenced based, both from a licensing authority point of view as well as police.

Background Papers

Background File Ref:
Licensing Act 2003
The Police Reform & Social Responsibility Act 2011

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