



**City of Westminster**

# Licensing Committee

**Date:** 14 March 2012

**Classification:** For General Release

**Title:** West End Policing and Late Night Levy under the Police Reform and Social Responsibility Act 2011

**Report of:** Operational Director for Premises Management

**Wards Involved:** Not Applicable

**Policy Context:** Management of the Public Realm

**Financial Summary:** No financial implications

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## **1. Summary**

- 1.1 Part 2, Chapter 2 of the Police Reform and Social Responsibility Act 2011 deals with the concept of licensing authorities introducing a late night levy. "The late night levy requirement" means a requirement to pay the licensing authority the costs of policing and other arrangements for the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6 am.

## **2. Recommendation**

- 2.1 The Committee is recommended to note the report.

### **3. Background Information**

- 3.1 Whether or not the levy is implemented is left entirely at the discretion of the licensing authority. 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, in the ratio 30 /70 respectively.
- 3.2 The aim of this levy is to permit licensing authorities to charge those businesses that benefit from trading alcohol in a safe late-night economy for the extra enforcement costs that the night-time economy generates for police and local authorities.
- 3.3 In areas where the licensing authority decides to apply the levy it will affect all premises (both on and 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.
- 3.4 It may be appropriate for the licensing authority to be able to offer exemptions or discounts to members of best practice schemes. Secondary legislation will provide the categories of businesses to whom licensing authorities may be able to grant an exemption or reduction. The levy will be set at national level and will also be confirmed in secondary legislation.
- 3.5 The financial figures calculated in this report are based on what the Home Office currently anticipate the charges to be. The late night levy will be set at a national level, with the final detail confirmed in secondary legislation. Westminster has 1118 premises whose terminal hour is after 00:00. If the late night levy were to be applied to all, as shown in Appendix 1, then the income generated would amount to £1,634,301.00 (Appendix 1, Table 1). Under the legislation licensing authorities can deduct permitted collection, administration and enforcement costs from revenue received. Regulations will specify the type of expenses that may be deducted by the licensing authority. It is envisaged the administrative costs to the Council would be in the region of £20,000. At this point a 30% / 70% split between the remaining income is divided between the licensing authority and the police respectively. Based on the figures in Appendix 1 a 30% share to the Council would equate to £484,290.30. Should premises argue successfully that they are not liable to pay the fee multiplier then the income would amount to £1,429,684 (Appendix 1, Table 2). Again, taking administrative costs of £20,000 into account the 30% share to the Council would equate to £422,905.20. The Licensing authority will be required to publish the administration costs they have deducted from the levy revenue at the end of every year.
- 3.6 Appendix 2 excludes those premises who we believe do not have the sale of alcohol as a licensable activity and / or those premises types favoured by the licensing policy. Table 1 in Appendix 3 shows the calculations based on the fee that the Home Office anticipate the charges to be. There are 229 premises

that we have determined could be liable for this late night levy fee. On this basis the income generated through this regime amounts to £449,459.00. Based on the figures in Appendix 3 it is envisaged £10,000 administrative cost would be borne by the Council, thus creating a 30% share equalling £131,837.70 to the Council.

- 3.7 Appendix 3, Table 2 depicts a scenario of premises claiming successfully they are not alcohol led and therefore are exempt from paying the fee multiplier. These figures show an income totalling £294,290. Deducting the £10,000 administration charge the 30% share to the Council would equate to £85,287.
- 3.8 If the authority was minded to introduce a levy it is proposed that the setting of priorities for spending of the monies would be managed through the Safer Westminster Partnership. This would allow the local authority and the police to consider the commissioning of a range of options from different providers to support the levy's principal aims of reducing the impact of crime and disorder as a result of the night time alcohol led economy.
- 3.9 The police and local authority are embarking on a review of our approach to the compliance and impact of some licensed premises. The intention is to redefine our joint view of what is "acceptable" and how we respond to concerns. This work will help to inform any future conversations about the allocation of monies linked to tackling issues associated with the late night economy.

## Appendix 1

<b>Premises Type</b>
Type - Amusement Arcade
Type - Cafe
Type - Casino or gambling club
Type - Cinema
Type - Civic amenity site
Type - Civic/public building
Type - Club or institution
Type - College of Further Education
Type - Concert Hall
Type - Conference or exhibition centre
Type - Food store
Type - Hostel
Type - Hotel, 3 star or under
Type - Hotel, 4+ star or major chain
Type - Kiosk within another property
Type - Museums & Art Galleries
Type - Night clubs and discos
Type - Office
Type - Pub or pub restaurant with lodge
Type - Public hall
Type - Public house or pub restaurant
Type - Recording Studio
Type - Restaurant
Type - Sales kiosk
Type - Shop
Type - Surgeries or Health Centres
Type - Takeaway food outlet
Type - Theatre
Type - Tourist attraction or dark ride
Type - University
Type - Wine bar
Type - Zoo or safari park

## Late Night Levy Fee Calculation

<b>Band</b>	<b>Band Value</b>	<b>Total Number</b>	<b>Closing Time</b>	<b>#</b>
A	£229.00	16	00:30	10
			01:00	3
			03:00	3
B	£768.00	154	00:30	135
			01:00	5
			02:00	4
			03:00	3
			04:00	1
			05:00	6
C	£1,259.00	368	00:30	331
			01:00	12
			01:30	2
			02:00	7
			02:30	1
			03:00	5
			04:00	2
			05:00	8
D	£1,365.00	139	00:30	129
			01:00	4
			02:00	1
			03:00	1
			04:00	1
			05:00	3
E	£1,493.00	356	00:30	319
			01:00	7
			01:30	3
			02:00	7
			02:30	3
			03:00	9
			03:30	3
			04:00	2
			05:00	3
D x2	£2,730.00	29	00:30	28
			01:00	1
E x3	£4,440.00	56	00:30	53
			05:30	1

		06:00	2
Premises closing after 00:01 & before 06:00	1118		

**Table 1:**

Figure if premises currently paying the Multiplier continue to do so

A	£229.00	16	£3,664.00
B	£768.00	154	£118,272.00
C	£1,259.00	368	£463,312.00
D	£1,365.00	139	£189,735.00
E	£1,493.00	356	£531,508.00
D x2	£2,730.00	29	£79,170.00
E x3	£4,440.00	56	£248,640.00
			<b>£1,634,301.00</b>

**Table 2:**

Figure if premises currently paying the Multiplier stop paying

A	£229.00	16	£3,664.00
B	£768.00	154	£118,272.00
C	£1,259.00	368	£463,312.00
D	£1,365.00	168	£229,320.00
E	£1,493.00	412	£615,116.00
D x2	£2,730.00	0	£0.00
E x3	£4,440.00	0	£0.00
			<b>£1,429,684.00</b>

<b>Premises Type</b>
Type - Amusement Arcade
Type - Cafe
Type - Casino or gambling club
Type - Cinema
Type - Civic amenity site
Type - Civic/public building
Type - Club or institution
Type - College of Further Education
Type - Concert Hall
Type - Conference or exhibition centre
Type - Food store
Type - Hostel
Type - Hotel, 3 star or under
Type - Hotel, 4+ star or major chain
Type - Kiosk within another property
Type - Museums & Art Galleries
Type - Night clubs and discos
Type - Office
Type - Pub or pub restaurant with lodge
Type - Public hall
Type - Public house or pub restaurant
Type - Recording Studio
Type - Restaurant
Type - Sales kiosk
Type - Shop
Type - Surgeries or Health Centres
Type - Takeaway food outlet
Type - Theatre
Type - Tourist attraction or dark ride
Type - University
Type - Wine bar
Type - Zoo or safari park

## Appendix 2

Highlighted Premises Types have been removed from the calculation based on the licensing policy and polluter pays principles

### Appendix 3

**Table 1**

<b>Band</b>	<b>Band Value*To be confirmed in secondary legislation</b>	<b>Total Number</b>	<i>Closing Time</i>	<b>#</b>
A	£229.00	2	00:30	1
			01:00	1
B	£768.00	31	00:30	26
			01:00	1
			02:00	1
			03:00	2
			05:00	1
C	£1,259.00	78	00:30	69
			01:00	3
			01:30	1
			02:00	1
			03:00	2
			04:00	1
			05:00	1
D	£1,365.00	11	00:30	9
			05:00	2
E	£1,493.00	42	00:30	35
			01:00	1
			01:30	2
			02:00	2
			03:30	2
D X2	£2,730.00	23	00:30	22
			01:00	1
E X3	£4,440.00	42	00:30	40
			06:00	2
	Premises closing after 00:01 & before 06:00	229		



**Table 1**

Figure if premises currently paying the Multiplier continue to do so

A	£229.00	2	£458.00
B	£768.00	31	£23,808.00
C	£1,259.00	78	£98,202.00
D	£1,365.00	11	£15,015.00
E	£1,493.00	42	£62,706.00
D x2	£2,730.00	23	£62,790.00
E x3	£4,440.00	42	£186,480.00
			<b>£449,459.00</b>

**Table 2**

Figure if premises currently paying the Multiplier stop paying

A	£229.00	2	£458.00
B	£768.00	31	£23,808.00
C	£1,259.00	78	£98,202.00
D	£1,365.00	34	£46,410.00
E	£1,493.00	84	£125,412.00
D x2	£2,730.00	0	£0.00
E x3	£4,440.00	0	£0.00
			<b>£294,290.00</b>

#### 4. Financial Implications

4.1 There are no financial implications arising from this report.

#### 5. Legal Implications

5.1 There are no legal implications.

If you have any queries about this report please contact Steve Harrison on 020 7641 8505, or email [sharrison@westminster.gov.uk](mailto:sharrison@westminster.gov.uk)