

Late Night Levy

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| Portfolio: | Community |
| Ward(s) Affected: | All |

Purpose

To update the Licensing Committee on the Late Night Levy (LNL), introduced by provisions in Chapter 2, of Part 2, of the Police Reform and Social Responsibility Act 2011.

Background

1. The Late Night Levy is a power for licensing authorities to introduce a charge for all premises in the local authority area that are authorised to sell alcohol between midnight and 6 am.
2. The option to implement the levy is at the discretion of the local authority which should make the decision based on the situation in the local area.
3. If adopted, the local authority can retain up 30% of the revenue (net of administration costs) and the remainder must be given to the Police. In December 2012 the Home Office published Amended Guidance. (Attached as background papers).
4. There is an expectation for the local authority to consult with the chief officer of police and the police and crime commissioner.
5. The provisions for Late Night Levy commenced on 31 October 2012.

Regulations relating to Late Night Levy

6. In summary, the Regulations relating to Late Night Levy are:
 - There will be discretionary local exemptions including hotels, theatres, cinemas, bingo halls community premises and pubs entitled to rural rate relief.
 - There will be a discretionary 30% reduction for premises with best practice schemes and for pubs in receipt of small business rate relief.
 - The levy will not apply on New Year's Eve.
 - Local authorities must use their proportion of the levy to fund services that prevent and tackle alcohol-related crime and disorder as well as services connected to the management of the night-time economy. This will enable local authorities to fund street cleaning with the levy revenue.
 - The regulations do not prescribe how the Police should use their proportion of the revenue.

The fees for the late night levy will be:

| Band (rateable value) | A (£0 to £4,300) | B (£4,300 to £33,000) | C (£33,000 to £87,000) | D (£87,000 to £125,000) | E (Over £125,000) |
|--|-----------------------------|----------------------------------|-----------------------------------|------------------------------------|------------------------------|
| Current Annual Fee | £70 | £180 | £295 | £320 | £350 |
| Additional Amount For Late Night Levy | £299 | £768 | £1,259 | £1,365 | £1,493 |

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7. There is likely to be opposition from local licence holders against introducing a late night levy, local authorities will need to be able to justify their reasons.
8. There is a prescribed consultation process before a levy can be adopted and the costs for this can be met from levy revenue before the net revenue is split with the police, it is possible that in the first year this cost may be more than the revenue from the levy.
9. Premises that are currently authorised to sell alcohol after midnight will be offered the opportunity to make a free application to cut back their hours so that they will not be subject to the levy. Officers anticipate that a proportion of those premises that do currently operate after midnight would choose to reduce their hours rather than have to pay the levy.
10. The late night levy does not apply to temporary event notices, which are occasional permissions.
11. The levy amounts payable will be considerably more than the current annual fees that premises have to pay. This may lead to closure of some premises that are unable to afford the additional fee.
12. If adopted the late night levy must apply to the whole of the Borough although exemptions can be applied.
13. Licensing authorities can offer an exemption from the levy for premises which participate in Business Improvement Districts (BIDS) that operate in the night-time economy and have a satisfactory crime and disorder focus. Licensing authorities have the discretion to determine whether the BIDS in their area are eligible.
14. The legislation also introduces Early Morning Alcohol Restriction Orders (EMROs). These enable licensing authorities to restrict the sale of alcohol in the whole or part of their areas between 12 am and 6 am on all or some days. An EMRO can be made in relation to a problem in a target area if there is evidence that it is appropriate to promote the licensing objectives.

Recommendation

- 15 It is proposed that the Committee receives a further report within 6 months following consultation with Surrey Police, further analysis of options available and legal advice as appropriate.

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Background papers

The Late Night Levy (Application and Administration) Regulations 2012

The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012

Annexes:

Annex A – Amended Guidance on the Late Night Levy issued by the Home Office dated December 2012

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