Late Night Levy Consultation
The Council is consulting on a proposal to introduce a late night levy (LNL) on all licensed premises selling alcohol between midnight and 6am.

February 2017
What is the Late Night Levy (LNL)?
The Police Reform and Social Responsibility Act 2011, gives Licensing Authorities the power to charge a Late Night Levy (LNL) to those licensed to sell alcohol between midnight and 6am.
The revenue raised is then used as a contribution towards the costs of managing the late night economy, this includes contributing to the cost of policing and community safety.

Why introduce a LNL?
Hackney is one of the main centres for culture and leisure in London. The borough has over 1000 licensed premises and many of these premises are authorised to supply alcohol. Of these, there are 399 licensed premises that are able to supply alcohol between midnight and 6am.
The growth of Hackney’s night-time leisure economy has contributed to the borough’s wider economic growth, and to Hackney’s reputation as a vibrant and fashionable place for people to live, work and visit.
Licensed premises bring many benefits to the borough, including employment and business opportunities. However, the night-time economy also has an impact on the borough’s town centres, surrounding neighbourhoods and places an additional demand on public services. These include increased levels of crime and anti-social behaviour, litter and noise nuisance. Responding to and managing these impacts generates additional costs for the Council, the Police and other public bodies.
If the LNL is introduced it will contribute to the policing and control of late night alcohol related crime and disorder.
Evidence gathered as part of the most recent review of the Council’s Statement of Licensing Policy showed a clear correlation between the locations of late night licensed premises and incidents involving robbery, violence and theft.
Hackney Police estimate the cost of policing the night-time economy in the borough to be around £1.4 million annually, of which £890,000 is specifically required to fund the dedicated Night-Time-Economy teams.

How does the LNL work?
• The LNL is set by central government and collected alongside the annual licence fee.
• The LNL is based on the non-domestic rateable value, also set by central government. All premises licensed to sell alcohol between midnight and 6am must pay the amounts that are set out in Table 1.
• The proposed LNL will apply to all venues holding a premises licence or club premises certificate that permits the sale of alcohol between midnight and 6am on one or more days in any year even if the full licensable hours are not used. It will apply to premises supplying alcohol for consumption on and off the premises.
• If the LNL is introduced, licensees have a right to make an application to vary their licence so that the premises will not be subject to the LNL. They can alter the days or hours of operation free of charge so long as this is done before the LNL is in place.
• The levy is paid to the Council, but a key element of the LNL is the requirement that ‘a specified proportion’ of at least 70% of any net revenue collected by the Council must be paid to the Police.
• If the LNL is introduced, a local management board would be established which would be responsible for overseeing how the money raised from the LNL is spent. This could include representatives from licensed premises liable to pay the levy. The Council is in discussions with the Police to establish exactly how this could work. The eventual percentage allocation and the use of the Police’s income share will be agreed in negotiations with the Metropolitan Police and Mayor of London’s Office for Policing and Crime (MOPAC).
• The LNL cannot apply to Temporary Event Notices.

Table 1: The Late Night Levy charging structure

<table>
<thead>
<tr>
<th>Rateable Value Bands</th>
<th>Annual Levy Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>No rateable value to £4300</td>
</tr>
<tr>
<td>B</td>
<td>£4301 to £33000</td>
</tr>
<tr>
<td>C</td>
<td>£33001 to £87000</td>
</tr>
<tr>
<td>D</td>
<td>£87001 to £125000</td>
</tr>
<tr>
<td>E</td>
<td>£125001 and above</td>
</tr>
<tr>
<td>D x 2*</td>
<td>Multiplier applies to premises in band D that primarily or exclusively sell alcohol.</td>
</tr>
<tr>
<td>E x 3**</td>
<td>Multiplier applies to premises in band E that primarily or exclusively sell alcohol.</td>
</tr>
</tbody>
</table>

Where premises within Bands D or E primarily or exclusively sell alcohol for consumption on the premises, a multiplier is added to ensure that larger clubs and bars make a higher contribution.
How will the money raised from the LNL be spent?
The money raised from the LNL will be used by the Council and the Police as a means of addressing the costs associated with policing the borough after midnight to manage crime, disorder and antisocial behaviour. Specifically the LNL will make a contribution towards services and activities which:

- Reduce or prevent crime and disorder
- Promote public safety
- Reduce or prevent public nuisance
- Clean any relevant highway or land in Hackney

The Council and the Police currently work in partnership to manage the night-time economy in Hackney. It is proposed that rather than see the levy revenue split between two separate programmes, a single programme is delivered in partnership. The programme could include the provision of:

- Additional police officer patrols across the borough
- Additional patrols by the Council’s wardens
- Additional staffing to monitor CCTV and through a radio link with the police, enable staff to be promptly deployed where they are needed right across the borough
- Joint patrols and operations by Police and Council officers including wardens, so that there is maximum coverage of the borough and best use of resources
- Additional funding for waste removal and street cleansing in those areas worst affected.

Table 2 below shows the estimated revenue that could be raised if a LNL were to be introduced in Hackney.

<table>
<thead>
<tr>
<th>Band</th>
<th>Number of premises</th>
<th>Band Fee per licensed premise</th>
<th>Estimated total annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>17</td>
<td>£299</td>
<td>£5,083</td>
</tr>
<tr>
<td>B</td>
<td>268</td>
<td>£768</td>
<td>£205,824</td>
</tr>
<tr>
<td>C</td>
<td>72</td>
<td>£1,259</td>
<td>£90,648</td>
</tr>
<tr>
<td>D</td>
<td>17</td>
<td>£1,365</td>
<td>£23,205</td>
</tr>
<tr>
<td>E</td>
<td>25</td>
<td>£1,493</td>
<td>£37,325</td>
</tr>
<tr>
<td>Total</td>
<td>399</td>
<td></td>
<td>£362,085</td>
</tr>
</tbody>
</table>

Possible revenue that could be raised by the levy
There are 399 premises that are authorised to sell alcohol between midnight and 6am, the majority of which are in non-domestic rateable value Band B. If applied for the period, the possible maximum annual income would be £362,085.

Hackney’s Voluntary Levy
Hackney currently has a voluntary levy which was introduced in 2013. There are currently only 40 businesses participating in the scheme, contributing a total of £56,000 per year.

The voluntary levy has helped to fund additional patrols by council wardens on Friday and Saturday nights in the Dalston and Shoreditch areas.

It has been well received by local residents and businesses and has been pivotal in addressing numerous anti-social behaviour related impacts of the night-time economy such as street urination and illegal street trading.

This scheme would not continue if the LNL were to be introduced.

Why aren’t any exemptions or reductions proposed?
Local authorities may choose to exempt certain categories of premises, (e.g. country village pubs and bingo halls) or offer reductions in certain specified circumstances. Licensing authorities are not able to choose a category of premises for an exemption from the levy if it is not one of the specified categories.

We are not proposing to apply exemptions or reductions in Hackney as our data shows that the highest levels of crime and anti-social-behaviour are street based, often difficult to link to individual premises. It is therefore not appropriate to exempt categories of premises or offer reductions as all premises will benefit from the services provided.

Further there are very few premises within Hackney that fall within the specified criteria that would be caught by the levy. More information on the exemption and reduction categories can be found within the Guidance issued by the Home Office: [https://www.gov.uk/government/publications/amended-latenight-levy-guidance](https://www.gov.uk/government/publications/amended-latenight-levy-guidance)

What we want your views on
We would like to hear your views on the proposal to introduce a LNL in Hackney.

Who do we want to hear from?
The consultation is open to all, but we would particularly encourage those licensees that will be affected by the proposed levy and local residents to let the Council know their views.
How can you take part?

• You can complete this questionnaire online at www.hackney.gov.uk/licensing
• Return your completed questionnaire by 7 May 2017 to:
  FREEPOST HACKNEY LICENSING SERVICE

For more information

• Email: licensing@hackney.gov.uk please include “Late Night Levy” in the subject line
• Phone: 020 8356 2431 to request paper copies of the consultation documents

What happens next?

After the consultation, the responses will be analysed and a report will be written which will be considered by Full Council before deciding whether or not to introduce the LNL.

The Late Night Levy consultation is not a referendum. The results of this public consultation will form only part of the information that the Council will be provided with so that a decision can be made on whether to introduce a LNL. The Council must take account of:

• impact of the night-time economy - such as the levels of crime and disorder
• the cost of dealing with these impacts whilst considering how beneficial the late night levy would be.

If the decision is made to introduce the LNL, it would come into effect on 1 November 2017. Notifications will be sent to all relevant licensees in July this year. Licensees that do not wish to be included in the LNL will have a three month period to make a free variation to their licence before the LNL is introduced.