

Report of the Head of Licensing and Registration

Report to Licensing Committee

Date: 23rd July 2013

Subject: Late Night Levy

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): All	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) and (7) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The late night levy is a power conferred on licensing authorities by provision in Chapter 2 of Part 2 of the Police Reform and Social Responsibility Act 2011. This enables licensing authorities to charge a levy to persons who are licensed to sell alcohol late at night in the authority's area as a means of raising a financial contribution towards the costs of policing the late-night economy.
2. It is for the licensing authority to determine whether to implement the levy, how the levy is designed and when it should be implemented.
3. A working group was set up to consider possible amendments to the Statement of Licensing Policy and to look at the Late Night Levy. The working group has concluded that, subject to reaching agreement with West Yorkshire Police on how the money raised would be spent on improving the late night economy in the Leeds district, the levy could be of benefit to Leeds and the design of such a levy should be explored further.

Recommendations

4. That Licensing Committee notes and approves the conclusions of the working group that a levy may be of benefit to the district and should be considered further.

5. That Licensing Committee considers the information presented in this report and determines a potential design for the levy which will include:
 - The late night supply period
 - Exemptions and reductions to be offered
 - The proportion to be offered to the Police
6. That Licensing Committee refers the matter to Executive Board so that the design and consultation of the levy can be approved and that the consultation with affected parties may begin.
7. That Licensing Committee note that a final decision on whether to implement the levy, the design of it and the start date would be made after the conclusion of the consultation having regard to 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 6am.

1 **Purpose of this report**

- 1.1 This report presents information to Licensing Committee to enable them to make decisions relating to the design of a potential late night levy.

2.0 **Background information**

- 2.1 The late night levy is a power conferred on licensing authorities under the Police Reform and Social Responsibility Act 2011. This enables licensing authorities to charge a levy to persons who are licensed to sell alcohol late at night in the authority's area, as a means of raising a financial contribution towards the costs of policing the late-night economy.
- 2.2 The levy will be payable by the holders of any premises licence or club premises certificate in the whole of the Leeds district which authorise the sale or supply of alcohol on any days during the late night supply period beginning at or after midnight and ending at or before 6am.
- 2.3 The decision to introduce a levy is for the licensing authority to make. The licensing authority will decide the design of the levy. This includes the late night supply period, any exemptions or reductions that may apply and the proportion of revenue (minimum 70%) after the licensing authority's costs are deducted, which will be paid to the Police & Crime Commissioner with the remainder being retained by the licensing authority to fund other activities.
- 2.4 The late night supply period must begin at or after midnight and end at or before 6am. The period can be for any length of time within these parameters but must be the same every day. If the licensing authority decides that it would be appropriate that certain types of premises should not pay the levy, they can set the late night supply period to suit the opening times of premises in their local area.
- 2.5 The licensing authority has the ability to use their discretion in respect of offering a reduction if a premises is part of a recognised scheme, or offering an exemption for certain types of premises.
- 2.6 The licensing authority must consider the desirability of introducing a levy in relation to 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 6am.
- 2.7 The Home Office has published guidance on the Late Night Levy which can be accessed online and is available in background papers.
- 2.8 The guidance suggests that the licensing authority should discuss the need for a levy with the relevant PCC and the relevant chief officer of police. The licensing authority will then decide whether to move to the next stage in the process and consult on its proposal to introduce a late night levy.

- 2.9 The consultation document will state its intention to introduce a levy, its proposed design, (including the late night supply period and proposed exemption and/or reduction categories) and the services that the licensing authority intends to fund with its share of the levy revenue.
- 2.10 The licensing authority will publish the consultation online and in a local newspaper. It will also send written details to the PCC, the relevant chief officer of police and all premises licence and club premises certificate holders whose authorisations permit the supply of alcohol during the period when it is proposed the levy will apply. The consultation is intended to be targeted at those affected by the levy, particularly businesses, the police, residents and other interested parties. The consultation process, including the period, is expected to be proportionate and targeted, so that the type and scale of engagement is relative to the potential impacts of the proposal.
- 2.11 The licensing authority will assess consultation responses and make a final decision about whether to introduce (or vary) the levy and if so, its design.
- 2.12 Once the decision to implement has been made, the licensing authority must inform all those affected, including the start date for the levy, the late night supply period, any exemption and deductions, and how the revenue will be shared between the Police and the licensing authority. Holders of relevant late night authorisations will also be notified of the date before which any application for a minor variation must be made to the authority to reduce their licensed hours to avoid operating in the late night supply period.
- 2.13 The licensing authority must publish on its website an estimate of the costs it will deduct from the levy revenue each year.
- 2.14 The levy will apply indefinitely until the licensing authority decides the levy will cease to apply in its area.

3.0 Main issues

Decision to Implement the Levy

- 3.1 The Police Reform and Social Responsibility Act 2011 specifies the criteria which the licensing authority must consider before introducing the levy. It must consider:

“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 6am.”

- 3.2 Then, having regard to those costs, the licensing authority needs to consider:

“The desirability of raising revenue to be split between the police (at least 70%) and the Council and used by the Council only for certain purposes.”

Costs of Policing

- 3.3 West Yorkshire Police have calculated that the costs of policing in connection with the supply of alcohol between midnight and 6am is **£1.4M per annum**. These are the costs relating to the prevention, detection of and overall dealing with alcohol-related crime between midnight and 6am. They include a percentage of staffing costs for response, neighbourhood policing teams, custody and the Divisional Control Room. The costs include operations support, mounted branch, licensing department and the part funding of a post working with Business Against Crime in Leeds (BACIL) on night time economy/alcohol issues. Costs relating to transport using standard police vehicles have not been included as these are redeployable and used for all policing tasks. No costs have been included for the Bridewell Custody Suite.
- 3.4 A more detailed breakdown is attached at appendix 1. As this breakdown contains specific detail relating to the deployment of police staff in the night time economy, the appendix is confidential under Access to Information Procedure Rule numbers 10.4 (3) and (7). 10.4 (3) relates to Information relating to the financial or business affairs of any particular person (including the authority holding that information). 10.4 (7) relates to Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
- 3.5 Entertainment Licensing has a dedicated enforcement and liaison team who investigate complaints and undertake risk based inspection programme. As part of their work they visit premises 'in performance' and a proportion of these visits occur after midnight at weekends. Whilst inspecting premises, officers are able to provide specialist knowledge to the West Yorkshire Police teams they work with during these visits, as well as accompanying other agencies such as the Border Agency and HMRC. The average annual cost of providing this service is **£32,500**. This represents two officers working one night each week with subsequent paperwork and follow up communications.
- 3.6 Safer Leeds works in partnership with other organisations who provide schemes and initiatives that could be considered for the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6am. These include:
- PubWatch Coordinator – currently funded by Leeds City Council
 - Taxi Marshalls – currently funded by BACIL, Safer Leeds, NHS Leeds,
 - Street Marshalls – currently funded by licensing premises
 - Street Angels – voluntary scheme, partially funded by BACIL
- 3.7 Although it is difficult to estimate the true cost of providing these schemes, especially as Street Marshalls and Street Angels rely on voluntary contributions, the PubWatch Coordinator role and Taxi Marshalls cost in the region of **£51,500**
- 3.8 A conservative cost of policing and other arrangements for reduction of prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6am is **£1.49M per annum**.

Desirability of raising revenue

3.9 *Strengths*

- § It will raise a significant revenue
- § The revenue is regular and predictable
- § The council proportion can only be used to tackle crime and disorder in the night time supply period, so cannot be diverted

3.10 *Weaknesses*

- § It will impact on voluntary schemes in the city centre
- § It may affect the working relationship between the council/police and premises licence holders

3.11 *Opportunities*

- § Only those premises who operate during the late night supply period will have to pay the levy
- § Can be used to directly tackle crime and disorder in the night time supply period

3.12 *Threats*

- § It applies to the entire metropolitan area of Leeds
- § There is no consideration of risk
- § Premises could pay into the levy but not see any benefit unless the revenue contributes to schemes that benefit the entire area

Design Options

3.13 The design of the levy must include the following elements:

- The late night supply period (between midnight and 6am)
- The exemptions from the levy which the licensing authority proposes to apply might include:
 - Premises with overnight accommodation
 - Theatres and cinemas
 - Bingo halls
 - Community Amateur Sports Clubs
 - Community Premises
 - Premises only open on New Year's Eve
 - Country village pubs
 - Business Improvement Districts
- Possible reduction of the levy for:
 - Current business led best practice schemes
 - Small Businesses

Analysis/ Expected revenue

3.14 The levy will apply to premises that sell or supply alcohol during the late night supply period, which can be any period between midnight and 6am. This includes:

- event spaces
- gambling premises

- hotels
- off licences and premises authorised to sell alcohol for consumption off the premises
- pubs, bars and nightclubs
- registered clubs
- restaurants
- sports clubs, social clubs and golf clubs.

3.15 The following data (correct as of June 2013) includes only those premises who sell or supply alcohol at any time between midnight and 6am. The potential revenue, without any reductions or exemptions and without any premises varying their licence is as follows:

1	City & Hunslet	£434,401
2	Otley & Yeadon	£43,352
3	Morley South	£38,891
4	Hyde Park & Woodhouse	£36,891
5	Horsforth	£30,916
6	Kirkstall	£30,852
7	Headingley	£29,121
8	Calverley & Farsley	£28,397
9	Pudsey	£28,267
10	Morley North	£27,692
11	Wetherby	£26,903
12	Roundhay	£25,346
13	Guisley & Rawdon	£26,177
14	Chapel Allerton	£22,766
15	Harewood	£22,681
16	Armley	£22,679
17	Garforth & Swillington	£22,337
18	Beeston & Holbeck	£21,014
19	Rothwell	£19,882
20	Farnley & Wortley	£17,621
21	Bramley & Stanningley	£17,110
22	Weetwood	£16,769
23	Adel & Wharfedale	£16,213
24	Ardsley & Robin Hood	£15,425
25	Burmantofts & Richmond Hill	£15,040
26	Crossgates & Whinmoor	£15,018
27	Gipton & Harehills	£14,272
28	Kippax & Methley	£13,569
29	Temple Newsam	£13,483
30	Moortown	£13,398
31	Middleton Park	£12,694
32	Alwoodley	£12,609
33	Killingbeck & Seacroft	£7,594
	Total	£1,139,380

3.16 As this total does not include any reductions, exemption or variations Members should be aware that it is unlikely that the levy will ever raise this total. The council

can expect several hundred minor variations in the run up to the implementation of the levy, which will take premises out of the late night supply period. These must be processed free of charge by the authority.

Late Night Levy Supply Period

3.17 When designing the levy, the licensing authority must set the late night supply period which applies. This could be any period of time between midnight and 6am.

3.18 The potential revenue based on various start times for the late night period is:

	City & Hunslet	Rest of area	Total
Midnight to 6am	£434,401	£704,979	£1,139,380
12:30am to 6am	£320,241	£354,708	£674,949
1am to 6am	£305,860	£273,042	£578,902
1.30am to 6am	£240,702	£120,156	£360,858
2am to 6am	£235,347	£109,979	£345,326
2.30am to 6am	£153,553	£67,292	£220,845
3am to 6am	£139,449	£63,772	£203,221

3.19 There are a large number of premises which close at midnight, and just under half of the possible revenue (£464,431) could be achieved from including this time. However, all affected premises are able to make a free variation to their hours before the levy is in place. Any premises with midnight as the end time for the sale or supply of alcohol may simply make a variation to reduce the hour to 11:59pm and thereby fall outside of the late night supply period.

3.20 As there are almost 500 premises with midnight as their terminal hour for alcohol, the council may be required to process a large number of minor variations in the three months before the levy comes into effect at a cost of £45k. This amount would be recoverable from the first year's levy payment.

3.21 In designing the levy Members will wish to take into account the likely revenue that will be generated by the selected late night supply period when assessing the desirability of implementing a late night levy.

Discretionary Reductions

3.22 **Business led best practice schemes.** The council may wish to use the late night levy to promote and support participation by premises in business led best practice schemes. Participation in a designated scheme would attract a 30% reduction from the levy. The council can decide if a scheme is eligible for this reduction based on the following benchmarks:

- A clear rationale as to why the scheme's objectives and activities will, or are likely to, result in a reduction of alcohol-related crime and disorder;
- A requirement for active participation in the scheme by members; and
- A mechanism to identify and remove in a timely manner those members which do not participate appropriately.

3.23 To provide some context, the levy payments and the reductions are as follows:

Band	Late Night Levy	30% Reduction	Late Night Levy with reduction
A	£299	£89	£210
B	£768	£230	£538
C	£1,259	£378	£881
D	£1,365	£409	£956
E	£1,493	£448	£1,045
Dx2	£2,730	£819	£1,911
Ex3	£4,440	£1,332	£3,108

3.24 Every licensed premises currently pays for any applications and annual fees in accordance with a band which is directly related to their non-domestic rateable value. This charging scheme has been utilised when setting the late night levy fees, so a premises in Band A for their premises licence fees will be in Band A for the late night levy.

3.25 The two schemes which run in the Leeds area that may be able to demonstrate they fit these criteria are PubWatch and the City Centre's Street Marshal Scheme.

3.26 **PubWatch** has about a 60% take up and there are some areas of Leeds that do not have easy access to a PubWatch scheme. It is expected that offering a discount to the levy may encourage the formation of new PubWatch schemes and increase membership in the existing schemes.

3.27 Allowing these schemes to be considered could potentially reduce the income as follows:

Levy Supply Period	Revenue from premises eligible to attend PubWatch only	The loss of LNL revenue based on 100% take up of PubWatch	The loss of LNL revenue based on 60% take up of PubWatch
Midnight to 6am	£838,090	£251,427	£150,856
12:30am to 6am	£553,168	£165,950	£99,570
1am to 6am	£470,199	£141,060	£84,636
1.30am to 6am	£275,966	£82,790	£49,674
2am to 6am	£262,760	£78,828	£47,297
2.30am to 6am	£160,318	£48,095	£28,857
3am to 6am	£143,462	£43,039	£25,823

3.28 The other scheme which could be given consideration is the city centre **Street Marshal Scheme**. This scheme relies on premises licence holders placing door staff on the streets to support the police during Friday and Saturday nights. They are able to provide a fast response and early warning service. Since the introduction of this scheme two years ago, violent alcohol related crime has dropped by 40%.

- 3.29 Eighteen of the city centre premises support Street Wardens. However the same premises are also members of the City Centre PubWatch and so could benefit from a 30% reduction for being part of that scheme. The maximum reduction any one premises can claim is 30%. The reduction in revenue would be approximately £11k.
- 3.30 **Small business rate relief.** The other reduction open to Members is for premises that are able to claim small business rate relief. These are premises whose business rates are below £12k. This would involve providing a 30% reduction for premises who are in fee Band A (130 premises) and the smaller premises in Band B (in total 786 premises) if their rateable value is less than £12k.
- 3.31 Should Members be minded to offer this reduction, officers would have to work in conjunction with Business Rates to establish which premises would benefit from the reduction and cross check this against other reductions such as PubWatch. It is likely that most premises which claim small business rate relief are members of PubWatch so could already be eligible for the 30% reduction if PubWatch is included in the schemes that attract a reduction.
- 3.32 However should Members be minded to allow this reduction alone, it would affect approximately 86 premises and the reduction in revenue would be approximately £19k.

Discretionary Exemptions

- 3.33 There are a wide number of premises which licensing authorities have a discretionary power to exempt from the late night levy.

Types of premises	Criteria	Number of relevant premises	Possible reduction in revenue
Premises with overnight accommodation	This would apply to any hotels or B&Bs that supply alcohol to their guests only	18 in City & Hunslet 15 in rest of area However all have public bars	£46,286 if public bars are closed
Theatre and cinemas	This exemption is for alcohol, served during the late night supply period for consumption by ticket holders	Leeds Grand Theatre Vue, The Light Vue, Kirkstall Road Everyman, Trinity	£4,650
Bingo halls	The playing of bingo must be the primary activity	None open after midnight	Nil

Types of premises	Criteria	Number of relevant premises	Possible reduction in revenue
Community amateur sports clubs	Registered as Community Amateur Sports Clubs	Over 6,000 clubs nationwide have registered at CASCs but there is no public register however there are 14 clubs that meet the criteria	£12,011
Community premises	Premises who already have the alternative condition applied which mean they do not have a DPS	6 premises	£3,670
Country village pubs	Sole pubs in designated rural settlements with a population of less than 3,000	10 which are possibly rural but further investigation to determine if the population is less than 3,000	£9,800
Business Improvement Districts	Premises within a BID that are subject to the BID levy.	There are no BIDs in Leeds	Nil
New Year's Eve	Premises authorised to sell alcohol in the late night supply period Only on New Years Day.	34 premises not currently in scope but have a condition authorising sales during the late night supply period on New Year's Eve/Day	£36,165

Design Options

3.34 There are a number of options available for the design of the late night levy. The key decisions to be made are on the late night supply period (hours) and the exemptions/reductions to be applied. Two options are presented for illustrative purposes. Each option highlights the potential advantages and disadvantages of it. Members can consider each option or can design an additional option or combination of options as they consider appropriate.

Option A

- Late night supply period - Midnight to 6am (max potential revenue £1M)
- No exemptions
- No reductions

- 3.35 This option maximises the revenue that the levy would raise. It could also be said that it creates a level playing field for all businesses. In considering this option, Members will need to bear in mind that all premises have the option to vary their licences free of charge. Currently around 500 premises close at midnight and so might consider it is more economical to reduce their hours that to pay the levy.
- 3.36 This option provides no exemptions for business led best practice schemes, or exemptions for small premises, but the resultant revenue could be used to fund schemes that support smaller premises and/or best practice schemes such as PubWatch.

Option B

- Late night supply period - 0:30am to 6am (max potential revenue £600k)
 - Reduction for Small Business Rate Relief
 - Exemptions for premises with overnight accommodation, theatres, cinemas, bingo halls, community amateur sports clubs, community premises, country village pubs (at a reduction in potential revenue of £66k)
- 3.37 This option allows for a wide range of exemptions which support smaller businesses and those that traditionally have less impact on the late night economy. The cost of the first year would also be reduced by taking the premises that cease alcohol at midnight out of the levy scheme.

What should the revenue be spent on?

- 3.38 The legislation states that at least 70% of the net revenue must be paid to the Police and Crime Commissioner (PCC) and the council retains the balance. The council has the power, when designing the scheme to pay a larger proportion to the PCC and may vary the proportion in future years, subject to prior consultation.
- 3.39 In line with standard practice on the allocation of police funds, there are no restrictions on what the PCC's share of the revenue can be spent on. The revenue will be subject to the same transparency measures as those that apply in relation to the other aspects of the operation of the PCC. The Police and Crime Panel will be able to hold the PCC accountable for the allocation and use of funds.
- 3.40 The Home Office recommends that licensing authorities should use existing partnerships with the police to discuss the police's intentions for their share of the revenue. They also recommend that the PCC should consider allocating the funds raised from the levy to allow the revenue to be spent on tackling alcohol related crime and disorder in the area in which the levy was raised.
- 3.41 Discussions with the PCC and Leeds police divisional commanders have provided reassurance the revenue raised in Leeds would be spent in Leeds and on preventing crime and disorder in the night time economy.

- 3.42 With regards to the 30% share allocated to the local authority, the Government has made regulations which specify how the council may use its share. The council must apply its share having regard, in each case in connection with the supply of alcohol between midnight and 6am, to arrangements for:
- (a) The reduction or prevention of crime and disorder;
 - (b) The promotion of public safety;
 - (c) The reduction or prevention of public nuisance;
 - (d) The cleaning of any highway maintainable at the public expense (other than a trunk road which is a special road) within the City or any land within the City to which the public are entitled or permitted to have access with or without payment and which is open to the air.
- 3.43 Accordingly the council has identified a number of schemes that would fall within this definition, that are under resourced:
- 3.44 In 2011 and 2012 LCC City Centre Management funded the provision of **Taxi Marshalls** over the Easter and Royal Wedding Bank holiday weekends as well as Christmas and New Year's Eve. The total cost of the Christmas and New Year's Eve provision was £15,517 which allowed the scheme to operate on 7 weekends (Friday and Saturday nights) running up to and including Christmas Eve and New Year's Eve. The provision consisted of 9 marshals and 1 supervisor working a shift of 10pm to 3am, which costs £1,361 per 2 night weekend (double on a bank holiday weekend). Partnership funding for Xmas 2012 was secured from LCC City Centre Management, LCC Community Safety, Network Rail, WYP, POCA, BACIL and NHS Leeds.
- 3.45 **Street Angels** are a volunteer force operating in city centre fortnightly on Fridays and are hoping to expand to Saturdays. **Club Angels** operate in two clubs with two more asking for their input. There is extra provision of Club and Street Angels during Fresher's week. BACIL provide the financial support to Street Angels and Club Angels. This enables them to buy high visibility jackets and items to distribute such as space blankets, bottled water etc. Street Angels also operate outside of the city centre in Headingley.
- 3.46 **West Yorkshire Ambulance Mobile Treatment Unit** is sited at the Corn Exchange on weekend nights. There is a second vehicle provided at Dortmund Square in the run up to Christmas. This is entirely funded by West Yorkshire Ambulance Service at the moment and has significantly reduced the number of visitors to A&E on the weekend nights for trivial matters.
- 3.47 Entertainment Licensing currently funds a full time post for a **PubWatch Coordinator** who provides support to the 16 PubWatch schemes in the city. The current coordinator has sourced funding for a Leeds PubWatch website which provides a central information point for all members of PubWatch across the city. There is further scope for strengthening PubWatch with additional promotion and marketing. PubWatch is a way that local licensees can discuss matters relevant to their local area and to disseminate information on national matters, such as new licensing restrictions etc. Most PubWatch groups operate a banning system where customers who create disorder on premises are banned from all premises in that

PubWatch area. This is an effective way of fighting crime and disorder outside of the city centre.

- 3.48 Police Operation Capitol includes the provision of **Street Marshals** paid for and staffed by licensed venues in the 2 hotspot locations on weekend nights. Since this scheme has been in operation there has been a 40% drop in violent crime in the city centre. The street wardens act as an early warning system, dealing with incidents before they escalate into issues that require police involvement. It is very likely that introducing an additional payment to the council in the form of a late night levy will have an effect on the Street Marshal scheme. The late night levy could pay for additional PCSO/street marshal support to enhance this very effective scheme.
- 3.49 It is a fact that excessive drinking and busy late night takeaways leads to more litter and other issues such as vomit and urine, on the streets of Leeds. The levy could fund additional **street cleansing** over the weekend to address these issues.
- 3.50 There are a number of **enforcement initiatives** that could be undertaken that would reduce the incidence of crime and disorder further. Enforcement initiatives such as the Responsible Retailers scheme aimed at off licensed premises, test purchasing, awareness initiatives around 'serving to drunks' and drugs awareness would all address issues in the night time economy.

Implementation Process

- 3.51 The implementation process is set out in legislation:
- Consideration of the costs of policing and other matters
 - Consideration of the desirability of setting a late night levy
 - Design of the policy (time period, reductions and exemptions)
 - Consultation (up to 12 weeks)
 - Recommendation to Council
 - Transitional period for minor variations (12 weeks)
 - Start of the Levy Year
 - Collection of levy payments (12 months)
 - Distribution of revenue (one month following end of the levy year)
- 3.52 It is expected that implementation will take 9 months from the design of the levy and the first payment would be made 13 months after implementation.

Consultation

- 3.53 Once the design of the levy has been determined, the licensing authority is required to consult with those affected. In line with other licensing consultations, this consultation can run for up to 12 weeks and must include:
- Police and Crime Commissioner
 - Chief Officer of Police
 - Holders of premises licence and club premises certificates that hold a licence which authorises the sale or supply of alcohol in the night time supply period.

- 3.54 The consultation will be published on the council's website and in a local newspaper. The licensing authority will write to all affected holders of premises licences and club premises certificates.
- 3.55 Following the consultation the licensing authority must consider the consultation responses and make a final decision about whether to introduce (or vary) the levy and, if so, its design.

Working Group Recommendation

- 3.56 The working group formed to look at issues relating to the Police Reform and Social Responsibility Act has met with senior police officers and City Centre Management. They have reviewed the options laid out in this report and recommend that the council adopt option B which is:

Late night supply period: 00:30 to 06:00
 Reductions: Small Business Rate Relief
 Exemptions: Premises with overnight accommodation
 Theatre and cinemas
 Bingo halls
 Community amateur sports clubs
 Community remises
 Country village pubs

- 3.57 The working group recognised that this recommendation would reduce the impact on premises which are situated outside of the city centre or are small businesses.
- 3.58 When reviewing the table at 3.14 setting the late night supply period to start at 12:30 would see revenue generated by the top ten wards change from:

Revenue if supply period set 00:00 to 06:00		
1.	City & Hunslet	£434,401
2.	Otley & Yeadon	£43,352
3.	Morley South	£38,891
4.	Hyde Park & Woodhouse	£36,891
5.	Horsforth	£30,916
6.	Kirkstall	£30,852
7.	Headingley	£29,121
8.	Calverley & Farsley	£28,397
9.	Pudsey	£28,267
10.	Morley North	£27,692

To:

Revenue if supply period set 00:30 to 06:00		
1	City & Hunslet	£320,241
2	Hyde Park & Woodhouse	£31,558
3	Otley & Yeadon	£25,345
4	Morley South	£21,503
5	Kirkstall	£20,035
6	Headingley	£18,732
7	Horsforth	£18,477
8	Calverley & Farsley	£17,815
9	Wetherby	£16,919
10	Beeston & Holbeck	£16,492

3.59 This would be more reflective of the current requirement for policing in the outer areas.

3.60 The working group recommends that further work is undertaken in conjunction with West Yorkshire Police and Safer Leeds to agree a range of schemes and initiatives to be funded by the late night levy that provide additional resources for matters described from 3.40 onwards.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 It is requirement of the legislation that those affected by the proposals are consulted with. There is no specified length of the consultation in the legislation however it is the council's practice to consult for 12 weeks on matters relating to licensing. The legislation is specific about who the licensing authority must consult with.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The late night levy process and consultation has undergone an equality diversity cohesion and integration screening. The screening showed there were no implications for equality as the length of the consultation would be sufficient to take religious festivals into consideration.

4.3 Council Policies and City Priorities

4.3.1 The late night levy has the potential to provide a regular and predictable income. . The council must apply its share having regard, in each case in connection with the supply of alcohol between midnight and 6am, to arrangements for:

- (a) The reduction or prevention of crime and disorder;
- (b) The promotion of public safety;
- (c) The reduction or prevention of public nuisance;

(d) The cleaning of any highway maintainable at the public expense (other than a trunk road which is a special road) within the City or any land within the City to which the public are entitled or permitted to have access with or without payment and which is open to the air.

4.3.2 The late night levy income will be used to fund schemes that will make Leeds a nicer place to visit and live which will have a positive impact on economic growth.

4.3.2 These arrangements would contribute to the following outcomes as stated in the Best Council Plan 2013-17:

- Improve the quality of life for our residents, particularly for those who are vulnerable or in poverty;
- Make it easier for people to do business with us; and
- Achieve the savings and efficiencies required to continue to deliver frontline services.

4.3. In addition these arrangements would contribute to our best council objectives of:

- Building a child friendly city – improving outcomes for children and families
- Promoting sustainable and inclusive economic growth – improving the economic wellbeing of local people and businesses
- Ensuring high quality public services – improving quality, efficiency and involving people in shaping their city

4.4 Resources and Value for Money

4.4.1 The consultation and implementation of the levy has a cost implication. However these costs can be recovered from the first year's revenue. The collection of the levy in subsequent years is undertaken at the same time as the collection of the Licensing Act 2003 annual fee. This reduces the costs to the council.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Late Night Levy is a new, untested process which has the potential to impact the finances of businesses owners in Leeds. As such there is a possibility that the implementation of a late night levy may be challenged through the courts.

4.5.2 At present the functions relating to Late Night Levy are the functions of the Licensing Authority but are designated as executive rather than council functions. The Home Office has indicated that it is intended to designate these as council functions. At present therefore the decision would be made by Executive Board but in future it could be the responsibility of the full Council or Licensing Committee.

4.5.2 The legislation sets out the persons that must be consulted with during the design of the levy. This list doesn't require the authority to consult wider than the list specified, however it is the usual practice of the licensing authority to consult with the public and ward members, members of parliament, parish councils and town councils during licensing policy consultations. There may be a risk of challenge should the licensing authority take the view of persons not affected into consideration.

4.6 Risk Management

- 4.6.1 Legal advice is being obtained given that this is a new power. Officers are also in close liaison with other core cities and the Home Office to build on and incorporate any 'lessons learned' or emerging knowledge from those bodies.

5 Conclusions

- 5.1 The late night levy has the potential to provide a regular and predictable income to support the Best City ambitions of the Council. In order to implement a levy the council has to consider the costs of policing the night time environment and the desirability of implementing a levy as a contribution towards those costs.
- 5.2 The licensing authority has a number of decisions to make relating to the design of the levy:
- Late night supply period
 - Discretionary exemptions
 - Discretionary reductions
- 5.3 Once the design of the levy has been determined, the licensing authority is required to consult with those affected. In line with other licensing consultations, this consultation will run for 12 weeks and include:
- Police and Crime Commissioner
 - Chief Officer of Police
 - Holders of premises licence and club premises certificates that hold a licence which authorises the sale or supply of alcohol in the night time supply period.

6 Recommendations

- 6.1 That Licensing Committee notes and approves the conclusions of the working group that a levy may be of benefit to the district and should be considered further.
- 6.2 That Licensing Committee considers the information presented in this report and determined a potential design for the levy which will include:
- The late night supply period
 - Exemptions and reductions to be offered
 - The proportion to be offered to the Police
- 6.3 That Licensing Committee refers the matter to Executive Board so that the design and consultation of the levy can be approved and that the consultation with affected parties may begin.
- 6.4 That Licensing Committee note that a final decision on whether to implement the levy, the design of it and the start date would be made after the conclusion of the consultation having regard to 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 6am.

Background documents¹

Amended Guidance on the Late Night Levy, Home Office, December 2012

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.