

# **Late night levy**

## **Key Information Document**

**Information for determining the viability of introducing a late night levy for premises licensed to supply alcohol in Camden between midnight and 6am**



## Background

1. The late night levy (the “LNL”) is a power available to the licensing authorities under the Police Reform and Social Responsibility Act 2011. It enables the Council in its role as the licensing authority, to charge a levy on premises in Camden that are licensed to sell alcohol late at night (on and off sales), as a means of raising a contribution towards the costs of policing the night-time economy (NTE). The LNL does not apply to temporary events or other licensable activities such as late night refreshment.
2. Premises will be liable for the LNL if the premises licence or club premises certificate authorises the sale or supply of alcohol on any days between midnight and 6am.
3. If it is introduced, the LNL will apply to the whole of the borough and the revenue that is raised may be used to fund services and activities to tackle late night alcohol-related crime and disorder. These activities must have regard to the connection with the supply of alcohol between midnight and 6am and arrangements for:
  - a) the reduction of crime and disorder
  - b) the promotion of public safety
  - c) the reduction or prevention of public nuisance
  - d) the cleaning of any relevant highway or relevant land in the local authority area.
4. The decision to introduce the LNL must be made by the full Council but other decisions in relation to the introduction and administration of the LNL can be made by the Licensing Committee.
5. Before making a decision on whether to introduce a LNL, the licensing authority must consider the desirability of introducing the LNL 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.
6. Preliminary discussions with the Mayor’s Office for Policing and Crime (MOPAC) and the borough police commander support the introduction of the LNL.

## Consultation

7. In February 2015 the Licensing Committee considered a report on introducing a LNL in Camden and the Council carried out a non-statutory consultation between 14 February 2015 and 8 May 2015. The results of that consultation are presented in separate report and this document is produced to address matters raised by the consultation and to provide relevant information to help the licensing authority determine the need for and viability of introducing a LNL in Camden.
8. 182 responses to the consultation were received with 120 (66%) supporting the introduction of the LNL in Camden. 80% of those in favour are resident in

Camden and 67% of respondents who oppose the LNL are licensees in Camden.

9. Of the 60 respondents opposing the introduction of the LNL, 84% considered that businesses already contribute through existing taxes towards tackling alcohol related crime and disorder and anti-social behaviour.
10. Respondents also suggested among other things that the introduction of a LNL would be an additional financial burden and could cause businesses and developers to relocate to other boroughs or close down.
11. Some respondents suggested that general incidents of crime and ASB are on the decrease and the police and Council should use targeted enforcement and instead focus on the behaviour of customers rather than the licensed businesses.
12. Some respondents observed that other issues such as pre-loading on alcohol, drugs and street drinking were issues that were not associated with the supply of alcohol after midnight from licensed premises.
13. A number of comments concerned the financial aspects of the LNL. In particular that further cost analysis was required before a decision should be made and that the LNL would not raise sufficient revenue for it to be a viable proposition.
14. Of those who support the introduction of a LNL, 79% supported a single programme of measures to be delivered in partnership by the police and the Council. Particular areas of concern are litter, urinating in the street, high levels of alcohol abuse, ASB and noise.
15. If it decides that the LNL is a viable proposition for Camden, the licensing authority must then determine the 'design' of the LNL and make a formal proposal of its introduction.

### **The design of the LNL**

16. The 'design' contains those factors which the licensing authority will apply to the operation of the LNL and must include the following information:
  - a) the late night supply period. This 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 on each day.
  - b) whether any of the following exemptions (subject to caveats) will apply to the LNL
    - 1) premises with overnight accommodation
    - 2) theatres
    - 3) cinemas
    - 4) bingo halls
    - 5) community amateur sports clubs

- 6) community premises
  - 7) village pubs
  - 8) BIDs
- c) whether an exemption will apply for premises that only supply alcohol after midnight on New Year's Eve into New Year's Day
  - d) whether a reduction of 30% will apply to premises that participate in a business led best practice schemes such as a Business Improvement District (BID)
  - e) whether a reduction of 30% will apply to on-trade premises that are in receipt of Small Business Rate Relief
  - f) the net amount of revenue that the licensing authority proposes to give to MOPAC which must be a minimum of 70%
  - g) the net amount of revenue that the licensing authority proposes to retain
  - h) the date on which it is proposed to introduce the LNL

### **What happens next?**

17. This document identifies those factors that the licensing authority should consider in deciding whether the LNL is a viable proposal for Camden. It also identifies the potential revenue that could be raised through the LNL and highlights the financial implications associated with different late night supply periods and any exemptions or reductions that could be applied to the LNL charge.
18. When considering whether to introduce a LNL, the licensing authority should note that any financial risk (for example lower than expected revenue) rests at a local level and should be fully considered prior to implementation.
19. If the Licensing Committee is satisfied that there is a need for a LNL in Camden and it believes it is a viable proposition, it may decide to make a formal proposal to implement the LNL.
20. The licensing authority must then consult specifically on its proposal which must state the licensing authority's intention to introduce a LNL and its proposed design as set out above.
21. The licensing authority must publish the consultation online and in a local newspaper. It must also send written details to MOPAC, the Borough Police Commander for Camden and all premises licence and club premises certificate holders whose authorisations permit the supply of alcohol during the period when it is proposed that the LNL will apply.
22. The consultation should be targeted at those that would be affected by the LNL, 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.

23. On conclusion of the consultation, the licensing authority must assess the consultation responses and make a final decision about whether to introduce the LNL and, if so, its design. It may be appropriate to change the design as a result of information obtained through the consultation process.
24. The decision on whether to introduce the LNL, and its final design, must be made by the full Council. Once introduced, the LNL will apply indefinitely until the licensing authority decides that it will cease to apply in its area and it should be kept under review.
25. It may be that the licensing authority considers the LNL to be inappropriate for Camden and decides against its introduction.

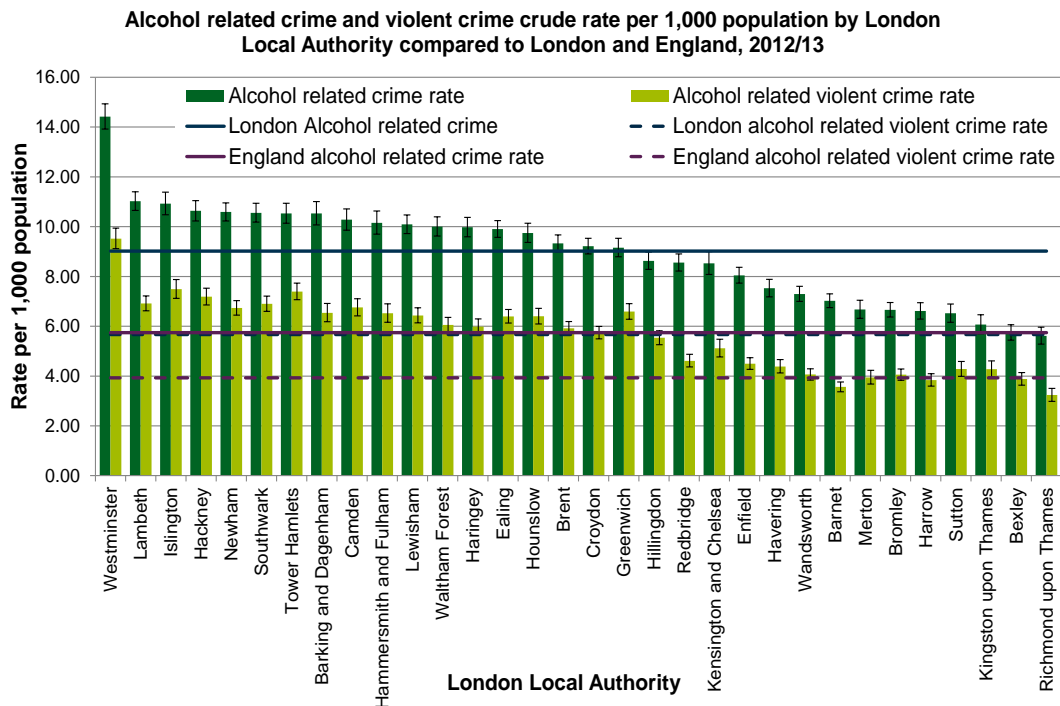
## Section 1: The need for a LNL

- 1.1 Camden has a positive reputation for its night-life which is enjoyed by many residents and visitors. The vast majority of those who take advantage of the active night-time economy (NTE) do not create problems for others but by its very nature, the NTE incurs additional costs for the Council, police and other partners when dealing with the resultant crime, disorder, anti-social behaviour and litter.
- 1.2 The LNL empowers councils to charge businesses that supply alcohol late at night, for the extra enforcement costs that the night-time economy generates for police and licensing authorities. The government believe it is right that businesses which profit by selling alcohol in the night-time economy should contribute towards these costs, rather than relying on other taxpayers in the community to bear the full costs.
- 1.3 When making the decision on whether to propose a LNL, the licensing authority must consider the costs of policing in connection with the supply of alcohol between midnight and 6am. It must also consider other arrangements for the reduction or prevention of crime and disorder such as the activities carried out by the Council's Community Safety Service, and having regard to those costs and arrangements, it must be satisfied that the introduction of a LNL is desirable and that the revenue raised, makes it a viable proposition.
- 1.4 In this section, reference to framework hours means:
  - (a) for licences including the sale or supply of alcohol for consumption on the premises:
    - Monday to Thursday 1000 hours until 2330 hours
    - Friday and Saturday 1000 hours until midnight
    - Sunday 1100 hours until 2230 hours
  - (b) for licences authorising the sale of alcohol for consumption off the premises only:
    - Monday to Saturday 0800 hours until 2300 hours
    - Sunday 1000 hours until 2230 hours

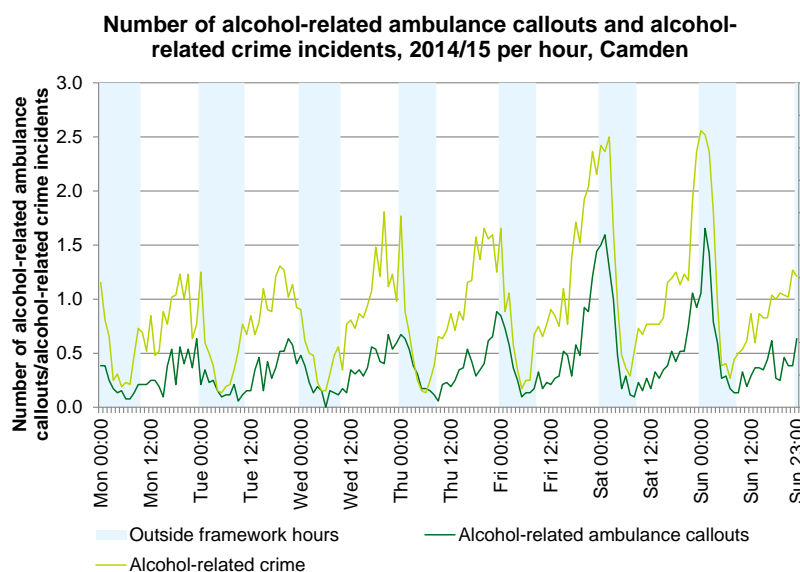
### Alcohol related harm

- 1.5 Camden experiences higher levels of alcohol related harm than other boroughs in London and also higher levels than average in England. This affects not only those who consume alcohol but also residents and visitors to the borough. This can be seen from the following information and graph:
  - a) Camden has the 9<sup>th</sup> highest alcohol related crime rate in London, significantly higher than London and England averages.
  - b) 66% of the alcohol related crime in Camden was classified as violent crime.

- c) Camden has the 7th highest alcohol related violent crime rate in London, significantly higher than London and England averages

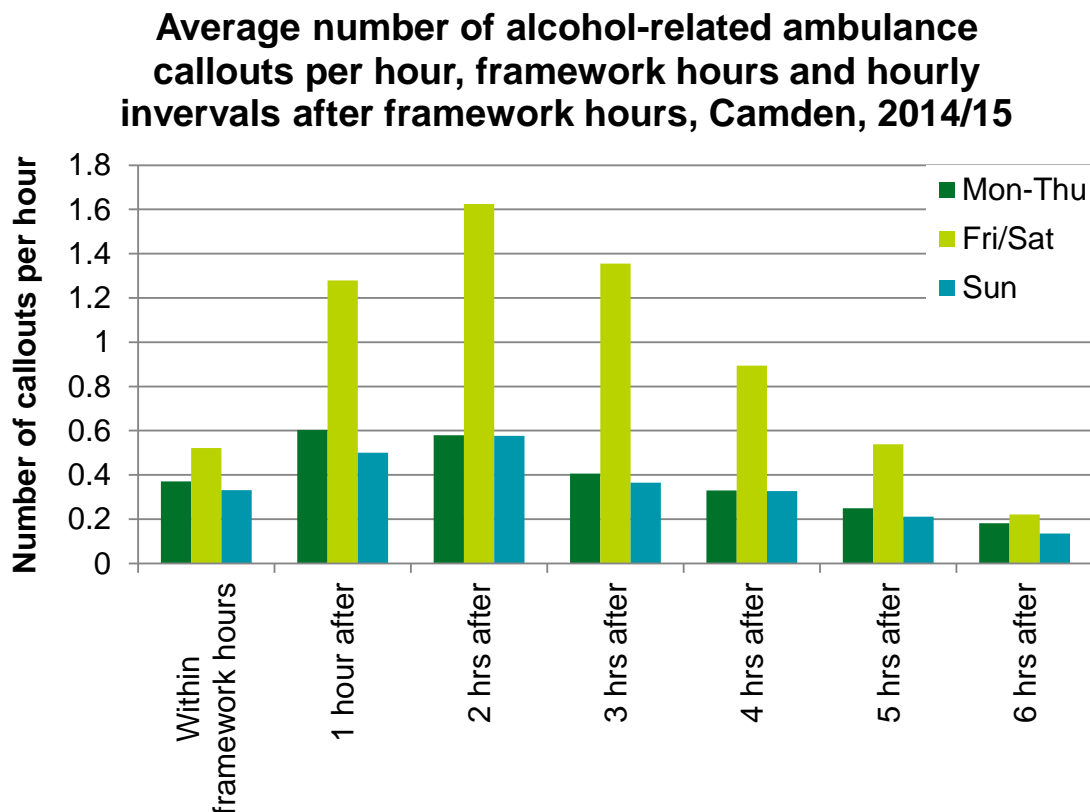


- 1.6 The impacts of alcohol-related harm in terms of both ambulance call-outs and crime are substantial in Camden and are not felt evenly across the borough. The impacts increase during the course of the day and are particular evident in the late evening and early hours of the morning, especially at weekends. At the weekend the peaks are higher (indicating more activity) and later, occurring between one and two hours after the end of framework hours. This is demonstrated in the following graph:



## Alcohol related ambulance callouts timeline

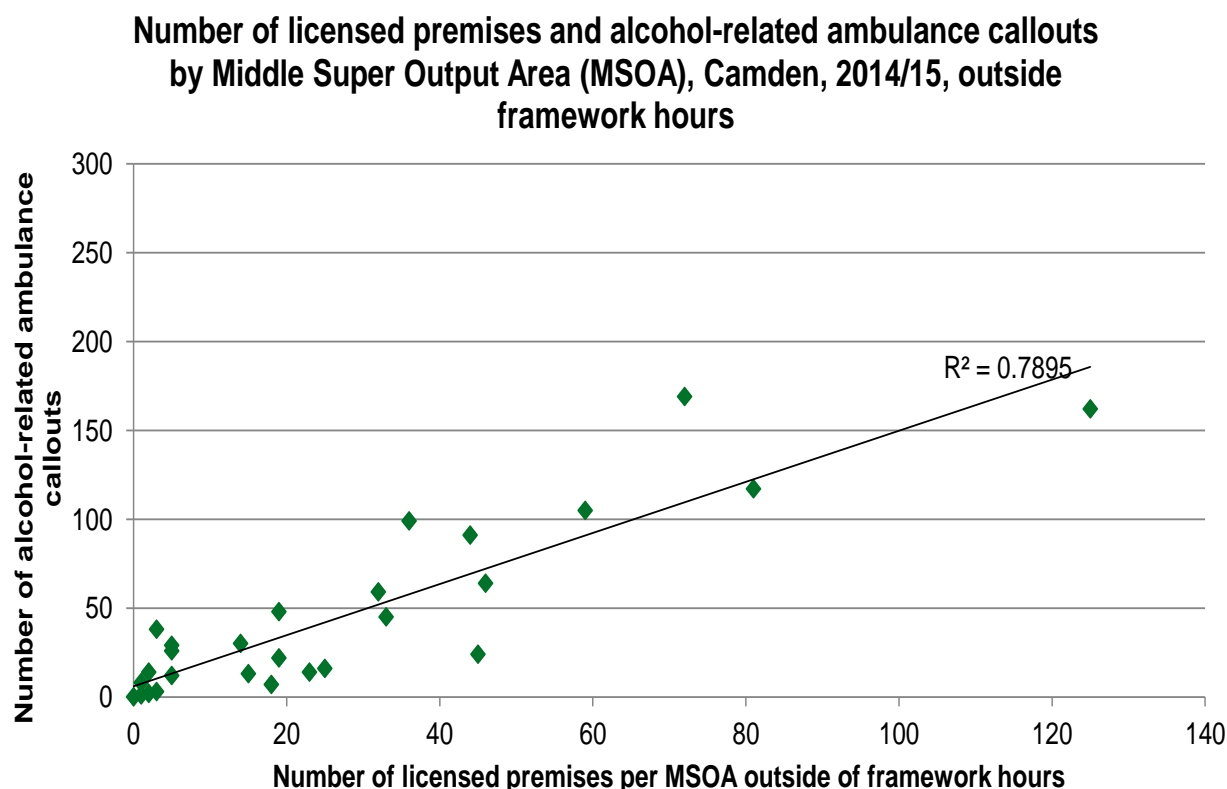
- 1.7 The number of alcohol-related ambulance callouts and alcohol-related crimes increase during the day. At the weekend the peaks are higher (indicating more activity) and later, occurring between one and two hours after the end of framework hours. The numbers of alcohol-related violent crime incidents show a similar pattern.
- 1.8 Alcohol-related ambulance callouts peak one to two hours after the end of framework hours, particularly on Fridays and Saturdays (i.e. early Saturday and Sunday mornings).
- 1.9 The impacts of the availability of alcohol late at night (i.e. outside of framework hours) on those living and working in Camden should be carefully considered when deciding the need for the LNL.
- 1.10 The data in the following graph was obtained from SafeStats 2014/15 and shows the average number of alcohol related ambulance callouts in Camden.



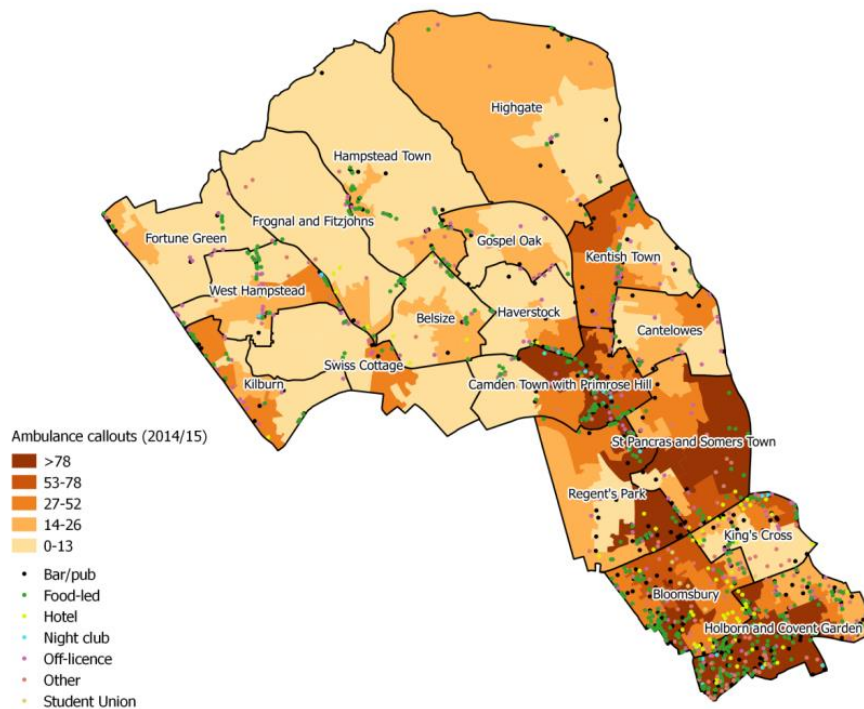


## Licensed premises and alcohol related ambulance call outs

- 1.11 There is a correlation between the number of licenced premises and the number of alcohol-related ambulance callouts per small geographical area. Although this pattern is seen to a certain extent at all times, it was much stronger outside of framework hours. Other geographical features such as transport hubs are associated with increased alcohol-related ambulance activity. This is demonstrated in the following graph. Data was obtained from SafeStats 2014/15.



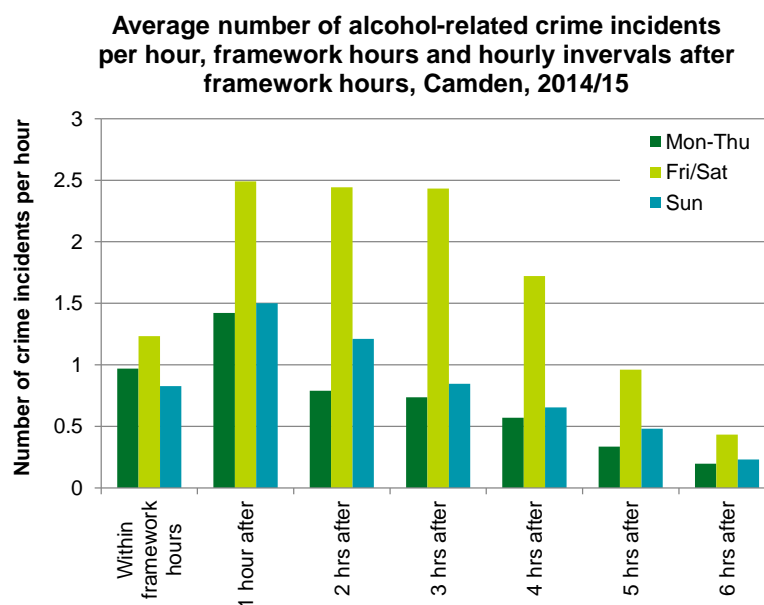
- 1.12 The following map shows the location of each ambulance call out in relation to licensed premises. The darkest shaded areas on the map show where there was more than 3 times the average number of alcohol-related ambulance callouts compared to the Camden average. The data has been obtained from SafeStats 2014/15 and Camden licensing data.



- 1.13 As the map shows, large clusters of licenced premises coincide with the darker shaded areas (areas of higher alcohol-related ambulance call-outs). It is evident that areas with higher ambulance activity are mainly in the south of the borough and Camden Town.

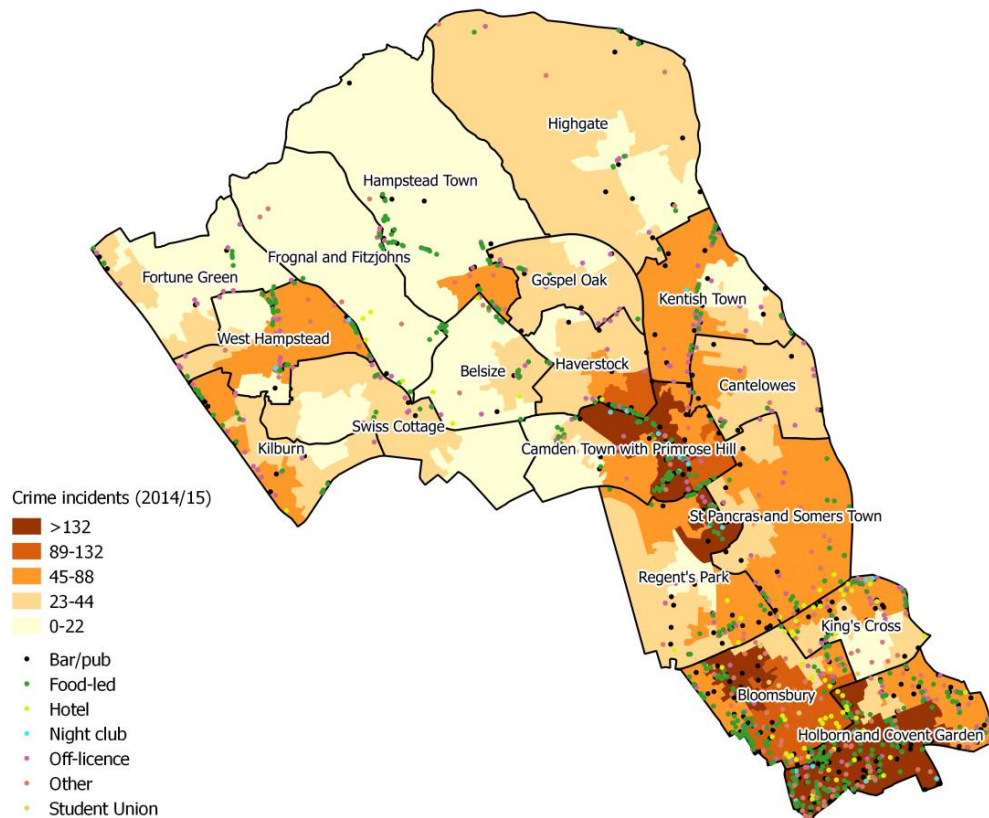
### Alcohol-related crime timeline

- 1.14 Alcohol-related crime peaks one hour after framework hours end, particularly on Friday (early Saturday morning) and Saturday (early Sunday morning). This can be seen from the following graph. The data was obtained from Camden Partnership Information 2014/15.



## Alcohol-related crime and premises density

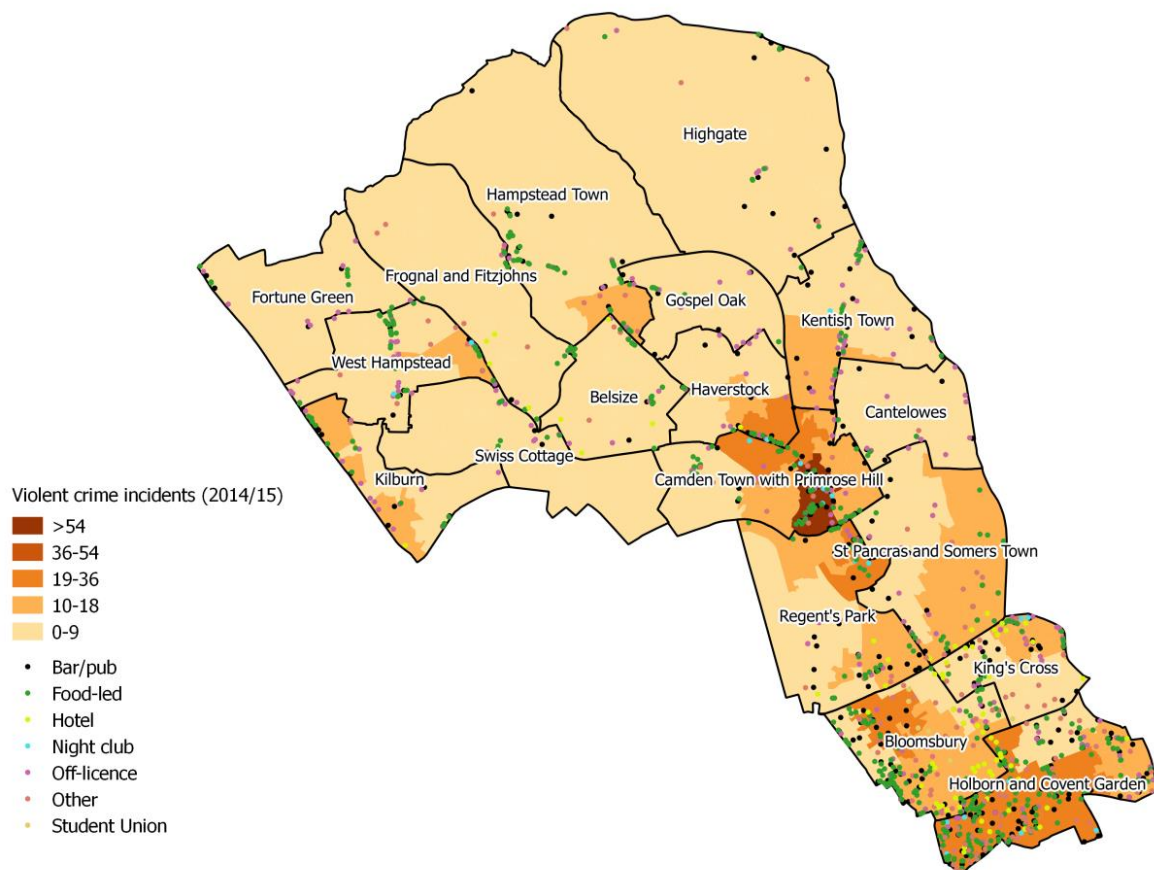
- 1.15 The following map shows the location of alcohol related crime in relation to licensed premises. The data has been obtained from SafeStats 2014/15 and Camden licensing data.



- 1.16 The darkest shaded areas on the map show where the number of alcohol-related crimes is 3 or more times the Camden average.
- 1.17 Areas with alcohol-related crime are mainly located in the south of the borough and around Camden Town.
- 1.18 The map shows that there are clusters of licensed premises in the darker shaded areas (areas of higher levels of alcohol-related crime).

## Alcohol-related violent crime and premises density

- 1.19 The following map shows the location of alcohol related violent crime in relation to licensed premises. The data has been obtained from SafeStats 2014/15 and Camden licensing data.



- 1.20 The Camden Town area had the highest number of alcohol-related violent crimes, indicated by the darkest shading on the map. There were also higher than average numbers of alcohol related violent crimes in the south of the borough, indicated by the dark orange shading.
- 1.21 The map shows that there are clusters of licensed premises in the darker shaded areas (areas of higher levels of alcohol-related violent crime).

## Alcohol related anti-social behaviour (ASB)

- 1.22 Police interventions for ASB are recorded in three categories namely 'nuisance', 'personal' and 'environmental'. The incidents are not categorised in relation to alcohol use and as such the data cannot be used to demonstrate the impact of alcohol related ASB during the late night supply period or wider NTE.

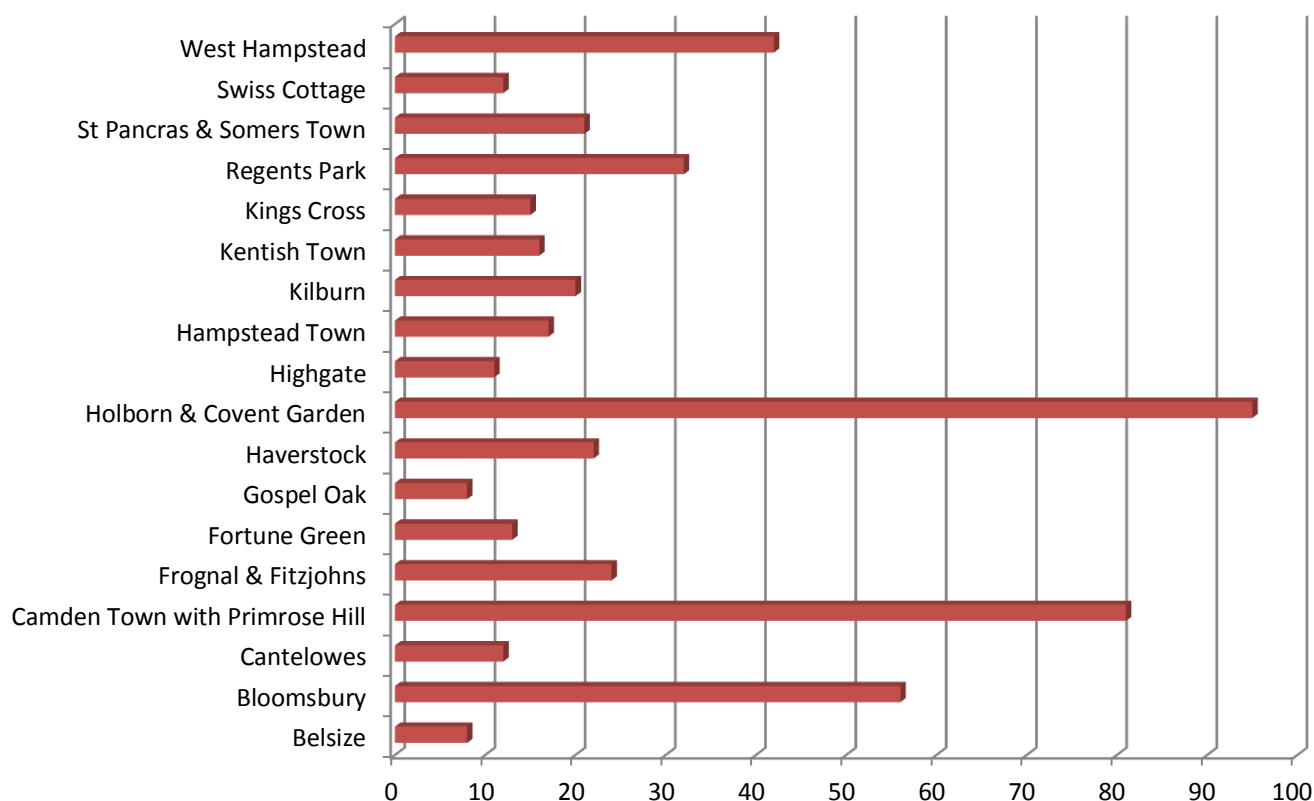
## Complaints against licensed premises

- 1.23 The Council's licensing team records the number and type of complaints against licensed premises. The table below shows the number of complaints that were received between 22 July 2014 and 22 July 2015.

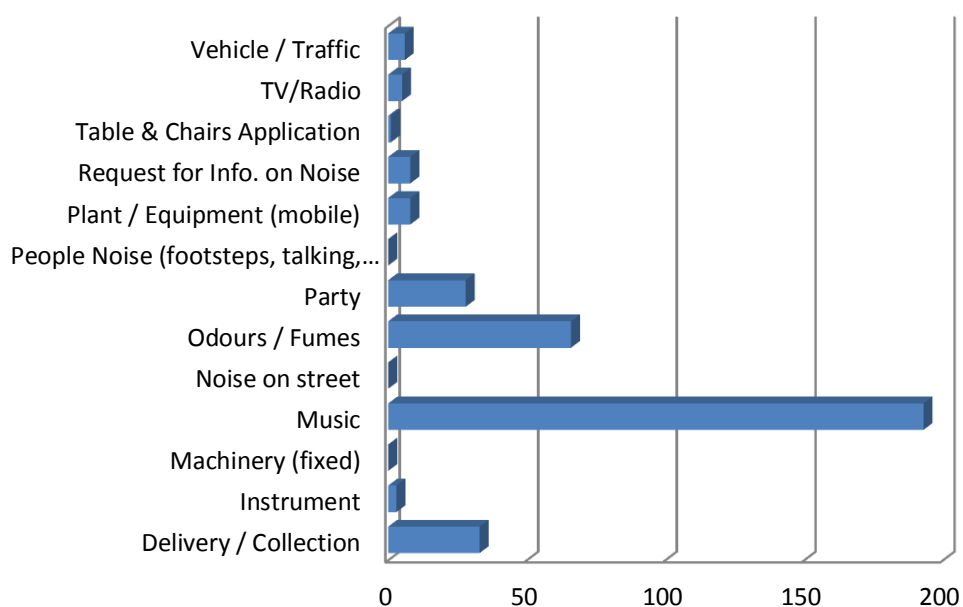
Ward	Number of licensed premises in ward	Complaints between 22 July 2014 and 22 July 2015
Belsize	39	8
Bloomsbury	256	56
Camden Town with Primrose Hill	194	81
Cantelowes	26	12
Fortune Green	31	13
Frognal & Fitzjohns	40	24
Gospel Oak	24	8
Hampstead Town	67	17
Haverstock	48	22
Highgate	46	11
Holborn & Covent Garden	381	95
Kentish Town	89	16
Kilburn	49	20
Kings Cross	100	15
Regents Park	121	32
St Pancras & Somers Town	87	21
Swiss Cottage	33	12
West Hampstead	85	42
<b>Total</b>	<b>1716</b>	<b>505</b>

1.24 The complaints are recorded by ward and category, are shown in the following charts.

### Complaints by ward



### Complaints by category



1.25 The second chart illustrates that noise nuisance accounts for approximately 80% of complaints against licensed premises. Such complaints tend to relate

to incidents occurring at night when the ambient noise levels are lower than during the day however the time of each incident is not recorded in a retrievable format therefore the appropriate weight should be attached to the relevance of this data.

## **Community safety**

- 1.26 The Camden NTE, whilst proving to be a huge benefit to the borough, and London as a whole, through its vibrancy and choice, does also present many challenges for the Council as it seeks to achieve a balance between the needs and wants of local residents, businesses and visitors. Management of the NTE is a key component of the Council's Community Safety Partnership and it is engaged with local residents on a regular basis in order to understand their concerns and to respond accordingly.
- 1.27 In response to those concerns the Council directs resource with the aim of reducing potential negative impacts. The work is co-ordinated through monthly "Partnership Afternoons", where officers from a wide variety of agencies and member of the community meet to agree interventions and actions.
- 1.28 Developments such as the "Reduce the Strength" initiative, where the Council and its partners work with off-licences so that they voluntarily agree not to sell strong lagers and beers has now been 'rolled-out' across the whole borough. The 'Quiet Streets' project has been established, working with licence holders to control dispersal from licensed premises in order to reduce noise and disturbance experienced by nearby residents in areas around Camden Town including Chalk Farm. A Quiet Streets scheme has also been introduced in the south of the borough.
- 1.29 The Council recently renewed focus on environmental issues ensuring that the impact of the available resources is maximised. Three permanent pop-up urinals in NTE areas in the borough are currently being installed.
- 1.30 The other key initiatives to mitigate the impacts of the Camden NTE and to make it safer for visitors include:
  - a) funding for 12 extra Police Officers across the Camden Town area
  - b) a dedicated "departure lounge" to encourage people to return home quickly and safely.
  - c) an integrated CCTV and radio system, linking our CCTV control room, which has a dedicated police officer present on Friday/Sat night, to all of the above plus most late night venues.
  - d) an agreement with Morrison's supermarket allowing people that park up late at night to use their car park space rather than residential streets in Chalk Farm.

- 1.31 Recent trials of a police observation platform showed that they potentially reduce crime in the immediate area and are well received by local residents. They are a Metropolitan Police Service area-wide asset and have to be requested in advance. The Council has requested that measures be put in place to ensure that the observation platforms are in place every weekend (although it also requires taking an officer off mobile duty to staff the platform).
- 1.32 The Community Safety Partnership has instigated a programme of quiet street scheme refresher visits, with police and the Council's licensing officers visiting premises to ensure best practice is being carried out.
- 1.33 Additional mobile street marshals have previously been commissioned however analysis indicated that this did not bring about a successful outcome and residents did not find it improved the situation.
- 1.34 The combination of the above current and potential measures helps to alleviate disturbance to residents. However, the Council recognises there is more to be done and it should continue to work with local residents and businesses to find long-lasting solutions to improve the delivery of the NTE in the borough.
- 1.35 Additional resource is required to deliver these measures which are clearly focussed on:
- a) the reduction of crime and disorder
  - b) the promotion of public safety
  - c) the reduction or prevention of public nuisance and
  - d) the cleaning of any relevant highway or relevant land in the local authority area
- 1.36 The licensing authority should consider the relevance of these activities when deciding the need for and desirability of introducing a LNL.

### **Community safety and police service costs**

- 1.37 The Community Safety Service (CSS) works in close partnership with stakeholders across the Council and critically the Community Safety Partnership (CSP), which brings together the Council, police, fire service, Camden Clinical Commissioning Group, Probation Service, Adult Social Care, youth justice services and voluntary sector agencies along with key organisations.
- 1.38 The annual strategic assessment sets out the priorities for the CSP and is the main driver for all the work of the CSS alongside the delivery of key objectives within the Camden Plan and London wide community safety and crime requirements set by the Mayor's Office for Policing and Crime (MOPAC).
- 1.39 In partnership, the CSS works to address community safety and crime concerns across the borough. This includes:



- engaging communities and using information and intelligence to understand problems that affect particular areas or groups of people in terms of community safety and crime.
- developing and implementing effective solutions to these problems and involving community members in these.
- addressing domestic violence (DV) and sexual violence (SV) and sexual exploitation (SE).
- making vulnerable victims of crime and communities safer.
- addressing antisocial behaviour (ASB).
- addressing youth disorder and youth violence
- reducing the impact that ASB associated with the Night Time Economy (NTE) has on local communities.
- providing a borough wide CCTV service.
- addressing rough sleeping and street population issues.
- working with partners to deliver multi-agency responses to those offenders causing the most harm in the community.
- providing an on-street presence via patrolling services to prevent/address crime and ASB
- adopting a “Restorative Approach” with victims and perpetrators
- working with partners to progress the Community Safety Partnership Delivery Plan, many of the actions being replicated in the Community Safety Service Business Plan.

1.40 Reducing the impact of the NTE on local communities is a key priority for the CSS with two key outcomes for the service in this area to:

- a) deliver interventions to reduce the impact the NTE has on residential communities in Camden
- b) utilise partnership resources to reduce the impact the NTE has on residential communities in Camden

1.41 The cost of providing these services is met by the CSS, police and their partners from existing budgets. However, the exact cost to provide services in the NTE is difficult to define especially those that are centralised but go beyond the normal duties carried out by the police response officers and neighbourhood teams, or those that are indirectly linked to the impact of the NTE on the community. Therefore, the costs are estimated as shown in paragraph 1.43 below.

1.42 The overall budget for the CSS is in the region of £5M. This is divided as follows:

- |                              |   |
|------------------------------|---|
| • Community Information      | £656,594  |
| • Community Interventions    | £1,001,800  |
| • Community Presence         | £1,225,190  |
| • Community Partnership      | £1,422,206 = (£733,492 (Core budget) + £633,714 (MOPAC) + £55,000 (MOPAC rollover)) |
| • Street Population Services | £1,097,726  |

1.43 The estimated costs in relation to the NTE are as follows:

#### **Community Information**

- a) £30k (50% of the service managers time)
- b) £10k (20% of time of a Community Audit Officer)
- c) £30k (contribution to additional regulatory services activity)
- d) £30k (additional NTE projects such as temporary urinals, extra cleansing, communications, footfall counters)
- a) £25k (50% of time of an analyst of Partnership Information Unit (PIU) carrying out analysis on NTE and performance)

#### **Community Interventions**

- a) £12.5k (25% of time of Community Intervention officer who is NTE lead)

#### **Community Presence**

- a) £12.5k (25% of time of CCTV systems manager which is key to NTE management)

#### **Community Partnership**

- a) £70k (Budget for Camden Departure Lounge)
- b) £60k (66.66% of police additional work budget which focus on NTE)
- c) £292.5k (75% of the 12 extra police officers for Camden Town)

#### **Street Population Services**

- a) Nil

#### **Metropolitan Police Service costs**

These cost of providing the following additional services are estimated at £160,000:

- a) alcohol related arrests between midnight and 6am
- b) processing the detainees through custody
- c) deploying the police' licensing team
- d) support costs such as control room staff

#### **What services could be provided through the LNL charge?**

- 1.2 Preliminary discussions took place at the Community Safety Partnership (CSP) in July 2015. The discussion explored the rationale of introducing the LNL and the general principles that should be applied when spending any revenue, raised through the LNL.

- 1.3 It was agreed that any activity or service provision should be pro-active, project-based with clear outcomes and focus on addressing the needs of residents and businesses, particularly those paying the LNL.
- 1.4 The CSP members suggested a number of potential projects such as:
- a) a specialist night time economy team or community wardens to provide a presence on the streets at night, in particular once police officers are dealing with arrests
  - b) the controlled drinking zone (CDZ) to have higher priority
  - c) to reduce ASB, litter, broken glass
  - d) increased use of technology, for example blue tooth messages in the CDZ
  - e) investigating the street pastor scheme
- Item a) is considered below with particular reference to the Islington Nightsafe Patrol Service.
- 1.5 The CSP also considered administration of any LNL with particular focus on governance and accountability of the scheme. It was agreed that any arrangements should be kept simple to reduce costs and provide best value. It was suggested that a LNL board should be established which meets quarterly with board members to be made up of residents, business, police and Council representatives.
- 1.6 Opening discussions have also taken place with the police borough commander for Camden. In these meetings, agreement has been reached that if the LNL is introduced the police will work with the Council to devise a joint scheme using 100% of the net LNL revenue and to retain the full amount in Camden. The borough commander supports a model based on the Nightsafe Patrol Service which is currently operating in Islington.
- 1.7 The Nightsafe Patrol comprises of 4 patrol civilian officers, who have been accredited by the Police and operate from a dedicated control vehicle. The team responds to night time economy issues by providing street based patrols and enforcement.
- 1.8 In Islington the revenue raised through the LNL funds a police sergeant with responsibility for coordinating the activities of the patrol, including developing a wider Operation Nightsafe Policing and Partnership resource. The police resource comprises of officers from neighbourhood policing, emergency response, the police licensing team and special constables.
- 1.9 The Nightsafe Patrol operates from midnight until 6am from Thursday to Sunday. Its primary function is to minimise crime, disorder, nuisance and antisocial behaviour associated with late night drinking and to help create a safer night time environment. The patrol team supports the Council, police and licensed trade by providing early interventions to prevent escalation to more serious alcohol related crime and disorder with the aim of reducing police and ambulance response.

- 1.10 The Nightsafe Patrol Service responds to a wide range of night time issues including:
- a) public order
  - b) dispersal of customers
  - c) drinking in the street
  - d) preloading
  - e) drug dealing or misuse
  - f) urinating in the street
  - g) illegal street traders
  - h) taxi marshaling
  - i) littering
  - j) begging
- 1.11 The patrol provides a borough wide service and is an accessible point of contact for the public and provides assistance to people who are vulnerable as a result of excessive alcohol consumption.
- 1.12 The operation of the Nightsafe Patrol Service is overseen by the Late Night LNL Board which is chaired jointly by the Council's Chair of Licensing and the Police Borough Commander. Membership includes representatives of each of the pub watches operating in Islington as well as council officers responsible for licensing and police officers responsible for night time economy policing activities.
- 1.13 The LNL revenue raised in Islington is around £450,000 and demonstrates the level of service that can be provided with this level of revenue. If the licensing authority decides to make a proposal to introduce the LNL, further discussions with the police borough commander and MOPAC will be scheduled to explore service provision in Camden and the cost of providing that service.

## Section 2: Maximum gross revenue

- 2.1 The Government prescribes the LNL amount which is based on the current licence fee system under the Licensing Act 2003. Licence holders are placed in bands A to E, based on the non-domestic rateable value (NDRV) of their premises.
- 2.2 A multiplier is applied to premises in Bands D and E that primarily or exclusively sell alcohol for consumption on the premises. This ensures that larger premises make a higher contribution towards the LNL. Regulations also include provision for premises that do not have a rateable value (by assigning it to Band A) or premises that are in the course of construction (Band C).
- 2.3 When determining the maximum gross revenue, the exemption in section 6 has been applied. This exemption relates to premises that only supply alcohol between midnight and 6am on New Year's Day and at no other time during the year. This exemption is covered in detail in section 6 below.
- 2.4 Camden has 271 premises that supply alcohol between midnight and 6am on days other than New Year's Eve into New Year's Day. Table 1 shows the number of liable premises in Camden and the maximum gross revenue that could be raised through the introduction of the LNL.

**Table 1 maximum gross revenue**

NDRV	A	B	C	D	D+	E	E+	Total
<b>LNL charge</b>	£299	£768	£1,259	£1,365	£2,730	£1,493	£4,440	
<b>Number of liable premises</b>	8	65	87	27	3	70	11	<b>271</b>
<b>Maximum gross revenue</b>	<b>£2,392</b>	<b>£49,920</b>	<b>£109,533</b>	<b>£36,855</b>	<b>£8,190</b>	<b>£104,510</b>	<b>£48,840</b>	<b>£360,240</b>

## Section 3: Permitted expenses

### Permitted expenses in the first year

- 3.1 The licensing authority can deduct from the gross revenue, the costs it incurs in connection with the introduction or variation, administration, collection and enforcement of the LNL.
- 3.2 These deductible costs may include (but are not necessarily limited to) the following:
- a) preparation and publication of the consultation document, including publishing it online and sending details to the consultees
  - b) collection of LNL payments
  - c) enforcement of LNL payments
  - d) the cost of processing applications to vary licences to in relation to the introduction of the LNL.
- 3.3 Table 2 shows the estimated costs that the licensing authority will incur to consult on the proposal to introduce the LNL.

**Table 2 Estimated consultation costs**

Estimated consultation costs			
Officer grade	Hourly rate	Hours	Cost per officer
SM3	£81.12	21.6	£1,752
PO7	£63.95	28.8	£1,842
PO4	£51.54	237.6	£12,247
PO1	£45.50	21.6	£983
Total			£16,824

- 3.4 Table 3 shows the estimated cost in relation to introducing the LNL for all liable premises. This total includes the costs associated with setting up the invoicing process for the LNL.

**Table 3 Estimated introduction costs**

Number of premises		271	
Grade	Hourly rate	Hours	Cost per officer
PO1	£51.54	135.50	£6,984
SO1	£42.36	135.50	£5,740
Total			£12,724

**Summary of costs associated with the introduction of the LNL**

Estimated consultation costs	Estimated introduction costs	Total
£16,824	£12,724	£29,548

**Administrative costs in subsequent years**

- 3.5 In subsequent years the administrative costs will be minimal as the system of invoicing will be automated.
- 3.6 Table 4 shows the estimated annual cost of administration in the second and in subsequent years.

**Table 4 Estimated administration costs in subsequent years**

Number of premises		271	
Grade	Hourly rate	Hours	Cost per officer
PO4	£51.54	45	£2,328
SO1	£42.36	45	£1,913
Total			£4,241

## Section 4: net revenue

### Net revenue in the first year

- 4.1 The net LNL revenue is residue of the gross revenue less any permitted expenses. The licensing authority must pay at least 70% of the net LNL revenue to the police and there are no restrictions on what the police can spend its portion of the LNL.
- 4.2 The licensing authority can retain up to 30% of the net LNL revenue to fund services it provides to tackle late night alcohol-related crime and disorder and services connected to the management of the NTE. Specifically, these activities must have regard to the connection with the supply of alcohol during the late night supply period and related to arrangements for:
- a) the reduction of crime and disorder
  - b) the promotion of public safety
  - c) the reduction or prevention of public nuisance or
  - d) the cleaning of any relevant highway or relevant land in the local authority area.
- 4.3 The maximum net LNL revenue for Camden in the first year would be £330,692 as shown in the following table

Potential gross revenue	Estimated consultation costs	Estimated introduction costs	Total
£360,240	£16,824	£12,724	<b>£330,692</b>

### Net revenue in subsequent years

- 4.4 In subsequent years the estimated administration costs will reduce and the net LNL revenue will increase to £355,999 as shown in the following table:

Potential gross revenue	Estimated administration costs	Total
<b>£360,240</b>	<b>£4,241</b>	<b>£355,999</b>

Police 70%	Council (30%)
<b>£249,199</b>	<b>£106,800</b>



## Section 5: Reduction in revenue (licence variation)

### Reduction in gross revenue

- 5.1 Relevant licence holders may make an application to vary their licence free of charge, to reduce their licensed hours to avoid operating in the late night supply period. Government guidance recommends that licensing authorities allow holders no less than 2 months to make such applications.
- 5.2 The government estimates that 20% of holders may apply to vary their licence to avoid operating under the LNL. Table 5 shows a reduction by 20% of premises from each NDRV band. If the full 20% of premises licences are varied, it could reduce the number of liable premises by 54 and reduce the gross revenue by £72,048 as illustrated below.
- 5.3 During the consultation held between 15 February 2015 and 8 May 2015, we asked business licensed for the supply of alcohol after midnight whether they are likely to reduce their hours so that they are not liable for the LNL. Not all businesses who completed the consultation answered this question and the responses were inconclusive. Approximately 25% stated that they would not reduce their hours, 14% would reduce their hours and the remainder did not answer the question. Of the 14% that would reduce their hours, some hold licences for a number of premises and this figure may be higher. For this reason the calculation of the estimated reduction is based on the 20% figure provided by the Government. However, research shows that the London Borough of Islington experienced only 1% of premises applying to vary licences and this should also be considered.

**Table 5: Gross revenue with 20% reduction in licensed premises**

NDRV	A	B	C	D	D+	E	E+	Total
LNL charge	£299	£768	£1,259	£1,365	£2,730	£1,493	£4,440	
Number of liable premises	6	52	70	22	2	56	9	217
Gross LNL revenue	£1,914	£39,936	£87,626	£29,484	£6,552	£83,608	£39,072	£288,192

## The licensing authority's costs to vary 20% of licences in the first year

- 5.4 The cost of processing the variations (free of charge to the holder) is a deductible expense in the first year in which the LNL is introduced.
- 5.5 The cost to the licensing authority of processing the applications is calculated using the licence fee system under the Licensing Act 2003 and is set out in Table 6 below:

**Table 6: Cost to vary 20% of licences**

NDRV	A	B	C	D	D+	E	E+	Total
LA03 annual fee	£70	£180	£295	£320	£640	£350	£1,050	
Number of premises	2	13	17	5	1	14	2	54
Potential Gross revenue	£140	£2,340	£5,015	£1,600	£640	£4,900	£2,100	£16,735

## Cost to introduce LNL with 20% reduction in licensed premises

- 5.6 If the number of liable premises reduces by 20%, the introduction costs will reduce by £2,545 to £10,179 as shown in Table 7.

**Table 7: Estimated introduction costs with 20% reduction in licensed premises**

Number of premises		217	
Grade	Hourly rate	Hours	Cost per officer
PO4	£51.54	108.40	£5,587
SO1	£42.36	108.40	£4,592
Total			£10,179

5.7 The consultation costs will remain the same. Consequently the net revenue in the first year will reduce to £244,454 as shown in the table below.

Potential gross revenue	Consultation costs	Cost to vary applications	Estimated introduction costs	Total
£288,192	£16,824	£16,735	£10,179	<b>£244,454</b>

Police 70%	Council (30%)
£171,118	£73,336

5.8 Therefore, the effect in the first year of 20% of holders varying their licences is to

- increase the licensing authority's costs by £16,735
- reduce the introduction costs to £10,179 and
- reduce the estimated net revenue in the first year to £244,454.

### Administration cost in subsequent years with a 20% reduction in licensed premises

5.9 If 20% of licensed premises vary their hours to avoid operating in the late night supply period, the administration costs in subsequent years will reduce to £3,393 as shown in Table 9.

**Table 9: Administration costs in subsequent years**

Number of premises		217	
Officer grade	Hourly rate	Hours	Cost per officer
PO4	£51.54	36.13	£1,862
SO1	£42.36	36.13	£1,531
Total			<b>£3,393</b>

### **Maximum net revenue in subsequent years with a 20% reduction in the number of liable licensed premises**

5.10 In subsequent years the consultation and introduction costs will not be deducted from the gross revenue. Consequently, the net revenue will increase to £284,799 in subsequent years as shown in Table 10.

**Table 10: Net revenue in subsequent years with a 20% reduction in licensed premises**

Maximum gross revenue	Estimated administration costs	Total
£288,192	£3,393	<b>£284,799</b>

Police 70%	Council (30%)
£199,359	£85,440

5.11 Therefore, the effect in subsequent years of 20% of holders varying their licences is to

- a) reduce the administration costs to £3,393
- b) reduce the estimated net revenue to £284,799

## **Section 6: Exemptions and reductions**

- 6.1 The licensing authority may consider that some types of premises should not contribute towards the LNL. This decision should be based on local knowledge of the NTE, including information gathered through the consultation process.
- 6.2 The licensing authority can only exempt the following specific categories of premises (subject to the caveats outlined below) which are prescribed by Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012:
- a) premises with overnight accommodation
  - b) theatres and cinemas
  - c) bingo halls
  - d) community amateur sports clubs
  - e) community premises
  - f) country village pubs
  - g) New Year's Day
  - h) Business Improvement Districts (BID)
- 6.3 The licensing authority can also offer a 30% reduction from the LNL for premises in business-led best practice schemes, including a BID (as an alternative to a full exemption).
- 6.4 The licensing authority can also offer a 30% reduction for premises that are in receipt of Small Business Rate Relief and have a rateable value of £12,000 or less. This reduction is only available to premises that supply alcohol for consumption on the premises.
- 6.5 During the consultation held between 15 February 2015 and 8 May 2015, the Council asked if there should be exemptions for particular types of premises. We received 160 responses to this question and the answers are set out in each of the following category headings. 86 of those respondents (47%) suggested that no exemptions should be given for any premises that supply alcohol after midnight.
- 6.6 The 74 respondents, who suggested that exemptions should be given, were able to propose more than one category of premises.
- 6.7 A summary of all exemptions and reductions is shown in paragraph 6.52 at the end of this section.

### **Exemptions**

#### **New Year's Day**

- 6.8 During the consultation held between 15 February 2015 and 8 May 2015, the Council received 166 responses to a question which asked whether an exemption should apply to premises that only sell alcohol between midnight on New Year's Eve and 6am on New Year's Day. 64 respondents (35%) agreed

that only this exemption should apply and a further 52 (29%) agreed that this exemption should apply as well as other exemptions. Therefore 64% of respondents agreed that premises that only sell alcohol after midnight on New Year's Eve should be exempt from the paying the LNL.

- 6.9 The licensing authority can offer an exemption from the LNL for holders in relation to premises which are only permitted to supply alcohol for consumption on the premises during the late night supply period on 1 January in every year.
- 6.10 Camden has 1812 licensed venues of which 1312 are licensed to supply alcohol for consumption on the premises. The majority of these converted their Justice's licence into a premises licence in 2005 and they are permitted to supply alcohol for 36 hours from their usual opening time on New Year's Eve through to closing time on New Year's Day.
- 6.11 In addition to the 1312 premises which are authorised for on-sales, there are 344 off-licences. Of the total 1,656, only 271 supply alcohol after midnight on other days of the year. If this exemption is offered, it is those 271 premises which will be liable for the LNL.
- 6.12 The licensing authority should consider whether it is appropriate to offer an exemption to the 1385 premises that only sell alcohol after midnight on New Year's Eve.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to exempt premises from paying the levy if the premises is authorised to supply alcohol for consumption on the premises between midnight and 6am on 1 January in every year (but are not authorised at those times on any other day in any year) as defined in regulation 4(i) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

### **Premises with overnight accommodation**

- 6.13 During the consultation held between 15 February 2015 and 8 May 2015, 30 respondents (16% of the total responses) suggested that an exemption should be given for premises offering overnight accommodation.
- 6.14 This exemption would only apply to premises which serve alcohol to members of the public who are staying overnight at the premises, and does not include hotels which allow the general public to access their bars.
- 6.15 Camden has 30 hotels licensed to supply alcohol after midnight which will be liable for the LNL. Of these, only two of the premises fulfil the criterion for an exemption in that they only supply alcohol to their residents.

- 6.16 Both premises have a NDRV in Band E and if the licensing authority applies an exemption to those premises the total reduction from the gross revenue will be £2,986.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to premises that are a hotel, guest house, lodging house or hostel as defined in regulation 4(a) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

### **Theatres and cinemas**

- 6.17 During the consultation held between 15 February 2015 and 8 May 2015, 34 respondents (19% of the total responses) suggested that an exemption should be given for theatres and 29 respondents (16%) for cinemas.
- 6.18 Premises in this category must ensure that, during the late night supply period, the sale of alcohol is only made for consumption on the premises to ticket holders, participants in the production or invited guests to a private event at the premises.
- 6.19 There are no relevant theatres or cinemas in Camden that fulfil this criterion.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to premises that are a theatre as defined in regulation 4(b) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012 or a cinema as defined in regulation 4(c) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

### **Bingo halls**

- 6.20 During the consultation held between 15 February 2015 and 8 May 2015, 19 respondents (10% of the total responses) suggested that an exemption should be given for bingo halls.
- 6.21 Premises in this category must be licensed and regulated under the Gambling Act 2005.
- 6.22 There are no relevant bingo halls supplying alcohol in Camden after midnight fulfilling this criterion.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to premises that are a bingo hall as defined in regulation 4(d) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

## **Community Amateur Sports Clubs (CASC)**

- 6.23 During the consultation held between 15 February 2015 and 8 May 2015, 23 respondents (13% of the total responses) suggested that an exemption should be given for CASCs.
- 6.24 Premises in this category must have relief from business rates by virtue of being a CASC.
- 6.25 There are no relevant CASCs in Camden that fulfil this criterion.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to community amateur sports clubs as defined in regulation 4(e) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

## **Community premises**

- 6.26 During the consultation held between 15 February 2015 and 8 May 2015, 31 respondents (17% of the total responses) suggested that an exemption should be given for community premises.
- 6.27 Premises in this category must have successfully applied for the removal of the mandatory Designated Premises Supervisor (DPS) requirement and demonstrate that they operate responsibly.
- 6.28 There are no relevant community premises in Camden that fulfil this criterion.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to community premises as defined in regulation 4(f) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

## **Country village pubs**

- 6.29 Premises in this category must be the sole pub situated within a designated rural settlement with a population of less than 3,000.
- 6.30 This category was not referred to in the consultation as there are no relevant country village pubs in Camden that fulfil this criterion.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to public houses as defined in regulation 4(g) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**



## **Business Improvement Districts (BIDs)**

- 6.31 During the consultation held between 15 February 2015 and 8 May 2015, 36 respondents of the 160 who answered this question (20%) suggested that an exemption should be given for premises which participate in a Business Improvement District (BID).
- 6.32 The legislation allows the licensing authority to offer an exemption from the LNL for premises which participate in BIDs that operate in the night-time economy and have a satisfactory crime and disorder focus. It should be noted that a premises situated within a BID area can only qualify for an exemption if it contributes financially by paying a BID levy.
- 6.33 The BID scheme must meet the benchmark specified in the Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012. That is, one of the purposes of the BID must result in or be likely to result in, the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 6am at relevant licensed premises in the BID area.
- 6.34 The licensing authority has discretion as to how the BID can demonstrate that they meet this benchmark. The Government expects licensing authorities to use their existing partnerships with BIDs, and understanding of a scheme's operation in their area, to identify eligible schemes in their areas.
- 6.35 The Government also expects licensing authorities to carefully consider exempting eligible BIDs from the LNL. It is up to the licensing authorities' discretion to determine whether the BIDs in their area are eligible.
- 6.36 There are three BIDs within Camden:
- a) Inmidtown
  - b) Camden Town Unlimited
  - c) The Fitzrovia Partnership
- 6.37 Each BID has been asked to provide details of their members to enable an accurate calculation to be made. Only Camden Town Unlimited has provided this information therefore the calculations are estimated in relation to InMidtown and the Fitzrovia Partnership as set out in the respective sections.

### **InMidtown**

- 6.38 Inmidtown BID currently represents around 560 businesses between the West End and the City and includes the local districts of Bloomsbury, Holborn and St. Giles. The BID works with the Mayor's Office and agencies; Transport for London; the Metropolitan Police; and the Council.
- 6.39 Inmidtown's aim is to create the best central London district and engaged community to build competitive advantage for business, including brand recognition; sustainable business; customer satisfaction; and employee retention.

6.40 Inmidtown aims to deliver against six objectives, and tracks progress against annual targets. The 'Street Scene' objective has direct relevance to crime and disorder and aims to maintain a safe and functional area with low crime levels through the following:

- a) two dedicated Police Officers, ring-fenced to the area, specialising in 'business crime' and 'street population' issues
- b) special Metropolitan Police operations responding to specific issues as they arise and partnerships with Safer Streets and Camden Community Safety, supporting the reduction of crime and anti-social behaviour
- c) Hotel Watch managed by the Metropolitan Police to enable intelligence sharing and problem solving
- d) Ambassador service monitoring street issues and reporting to Camden Council to enhance functionality and quality of experience Ambassador local Information service: on-street and from our information kiosk at Holborn station

6.41 Inmidtown works in partnership through formalised agreements with the Council, police and its associated members.

#### The Council

- a) Inmidtown aims to continue to grow productive working relationships with the Council. Two legal agreements exist between Inmidtown and the Council. The Operating Agreement outlines the process by which the BID Levy is collected from businesses and the cost of this service to inmidtown. The Baseline Agreement outlines the Council's specification for statutory services for the five year term of the BID. This covers cleansing and street environment; highway maintenance; and community safety. This Agreement is to ensure that any work undertaken by inmidtown represents additional value.

#### Metropolitan Police Service

- b) An agreement under section 92 of the Police Act exists between inmidtown and the police to allow the creation of a small, flexibly tasked team to reduce levels of crime in the inmidtown area. The two officers work as problem solvers, crime prevention advisors, and business liaison officers. They are named and ring-fenced to ensure clarity of their role and accountability for what they deliver as value added for inmidtown. The Officers are funded by inmidtown through the Council as part of the Mayor's Office for Policing and Crime (MOPAC), 'Buy one get one free' scheme. The term of the agreement is set at three years, running from April 2014 to March 2017, and includes a 6-month notice break clause which can be served at any time.

#### Associated members

- c) To enable full participation, all local businesses outside of the formal 'BID Rules' structure are able to benefit from Inmidtown's work by way

of a voluntary contribution. Smaller businesses on BID area streets are also able to access Inmidtown's services for a contribution.

6.42 The BID Rules apply a levy to all ratepayers, as defined in the levy schedule, with a rateable value of £150,000 or more. Premises with a NDRV under £150,000 may make a voluntary BID levy payment. The BID levy payment is 0.9% of rateable value.

6.43 InMidtown has not provided a list of its members who supply alcohol between midnight and 6am. Therefore the following information is based on information obtained from the Council's licensing database for premises with a NDRV of £150,000 or more (Band E or E+) which are situated within the BID streets as listed on page 7 of the Inmidtown Business Plan (2015-2020).

6.44 There are 21 premises in the Inmidtown BID which would be eligible for an exemption from a LNL. The breakdown in respect of NDRV is:

Band	LNL charge	Number of premises	Total
E	£1,493	18	£26,874
E+	£4,440	3	£13,320
<b>Total</b>		<b>21</b>	<b>£40,194</b>

6.45 If an exemption from the LNL is applied to these premises, the gross revenue will reduce by £40,194.

6.46 All the premises supply alcohol until the following hours on at least two nights each week and 12 of the premises supply alcohol beyond 1am on all days of the week.

- a) 1am (9)
- b) 1:30am (1)
- c) 2 am (5)
- d) 2:30am (1)
- e) 3am (1)
- f) 3:30am (1)
- g) 5am (1)
- h) 6am (1)
- i) 24 hours (1)

6.47 In addition to premises above the NDRV threshold, 20 premises that supply alcohol between midnight and 6am are situated within the InMidtown BID area. It is not known whether these premises contribute voluntarily to the BID levy but if they do they would also be eligible for an exemption if offered. If this is the case the gross LNL revenue could be reduced by an additional £23,426.

## Camden Town Unlimited

- 6.48 The Camden Town Unlimited (CTU) BID represents around 230 businesses in the Camden Town. The BID boundaries focus around the core business district running between Chalk Farm Road and Mornington Crescent tube stations as well as the commercial area along Parkway, Kentish Town Road and Camden Road. CTU works with the Mayor's Office and other agencies; Transport for London; the Metropolitan Police Service; and the Council.
- 6.49 CTU has a clear vision to position Camden Town as a global centre for Creative Industries and aims to work with public authorities to ensure business led programmes encourage enterprise. It also aims to deliver specialist projects designed to reduce core costs for its members and to upgrade the perception of Camden Town as a business location.
- 6.50 CTU is committed to improving the environment for business. Its core priority is cutting crime and in partnership with the Council and police, CTU contributes to an additional 28 uniformed officers. CTU continues to develop its on-street communications network, linking retailers to businesses directly with CCTV, the police and wardens.
- 6.51 The CTU works in partnership through formalised agreements with the Council and its members and relevant documents are available on the CTU [website](#).
- 6.52 The CTU BID Rules apply a levy to all ratepayers with a rateable value of £60,000 or more. This captures premises in Bands C to E+. The CTU BID levy payment is 1% of rateable value.
- 6.53 CTU has provided a full list of its members that supply alcohol between midnight and 6am. There are 19 premises in the CTU BID and if an exemption from the LNL is applied to these premises it will reduce the gross revenue by £36,830. The breakdown in respect of NDRV is:

Band	LNL charge	Number of premises	Total
C	£1,259	10	£12,590
D	£1,365	4	£5,460
D+	£2,730	2	£5,460
E+	£4,440	3	£13,320
<b>Total</b>		<b>19</b>	<b>£36,830</b>

- 6.54 All the premises supply alcohol until the following hours on Friday and Saturday nights and 17 of the premises supply alcohol beyond 1am on all days of the week.

- a) 1am (5)
- b) 1:30am (2)
- c) 2 am (6)
- d) 3am (5)
- e) 4.30am (1)

### **Fitzrovia Partnership**

- 6.55 The Fitzrovia Partnership (FP) BID represents around 100 businesses in the Fitzrovia district which neighbours Soho and Bloomsbury. The BID works with the Mayor's Office and agencies; Transport for London; the Metropolitan Police Service; and the Council.
- 6.56 The FP focuses on maintaining a business district of choice which is accessible, well managed and communicated, and attracts high levels of satisfaction from both businesses locating in the area and those choosing to work in Fitzrovia. The FP helps ensure that a quality trading environment is maintained and plays a role in stimulating on-going investment.
- 6.57 The FP aims to deliver against four key themes under which falls 'Safety and Security'. This theme has direct relevance to reducing crime and antisocial behaviour. In particular focus is placed on an integrated and dedicated street management team for the district, developed in partnership with the Police and Council. The FP also aims to work closely with the authorities to increase the level of Police and PCSO presence in the area to provide for a safer and more secure environment.
- 6.58 The FP works in partnership through formalised agreements with the Council and its members.
- 6.59 The BID levy applies to all ratepayers with a rateable value of £100,000 or more. All premises within Band E or E+ will be liable for the LNL along with some premises within Band D. The FP BID levy payment is 1% of rateable value.
- 6.60 The FP has not provided a list of its members who supply alcohol between midnight and 6am. Therefore the following information is based information obtained from the Council's licensing database for premises with a NDRV of £100,000 or more which are situated within the BID area s shown on page 5 of The Fitzrovia Partnership Business Plan (2012-2017)

6.61 There are 17 premises in the FP BID which would be eligible for an exemption from a LNL. The breakdown in respect of NDRV is:

Band	LNL charge	Number of premises	Total
D	£1,365	4	£5,460
E	£1,493	11	£16,423
E+	£4,440	2	£8,880
<b>Total</b>		<b>17</b>	<b>£30,763</b>

6.62 All the premises supply alcohol until the following hours on at least two nights each week and 7 of the premises supply alcohol beyond 1am on all days of the week.

- a) 12:30am (2)
- b) 1am (8)
- c) 2 am (3)
- d) 3am (1)
- e) 7am (1)
- f) 24 hours (2)

6.63 If an exemption from the LNL is applied to these premises, the gross revenue will reduce by £30,763.

6.64 In addition to premises above the NDRV threshold, 10 premises that supply alcohol between midnight and 6am are situated within the FP BID area. It is not known whether these premises contribute voluntarily to the BID levy but if they do they would also be eligible for an exemption if offered. If this is the case the gross LNL revenue could reduce by an additional £11,630.

#### **BIDs exemption (further comment)**

6.65 The licensing authority should consider whether it is appropriate to apply an exemption from the LNL for premises that participate in a BID on the ground that the scheme has a satisfactory crime and disorder focus.

6.66 The licensing authority should also consider whether the introduction of a LNL would remain a viable option if by offering an exemption to BIDs if the gross LNL revenue is reduced by up to £148,283.

6.67 It should be noted in this calculation is an estimation because two of the BIDs have not provided details of their members who contribute to the BID levy. As mentioned above, only premises with a NDRV above the limits set out by each BID are required to pay a BID levy however, this does not prevent premises with a NDRV below that level from making a voluntary contribution. If all those premises make a voluntary contribution to their respective BIDs, the gross LNL revenue (if the exemption is given) would decrease by a further £35,056.

- 6.68 It should be noted that 57 (21%) of all premises which supply alcohol after midnight in Camden are premises that also pay a BID levy. This is a relevant consideration in determining the viability of introducing a LNL.
- 6.69 Consideration should also be given to the alternative option below, on whether it is appropriate to consider BIDs for a 30% reduction of the LNL charge instead of an exemption.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to the payer of a BID levy as defined in regulation 4(h) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**

## **Reductions**

### **Business-led best practice schemes**

- 6.70 During the consultation held between 15 February 2015 and 8 May 2015, 77 respondents (42% of all respondents) suggested that a reduction should not be given for premises that have signed up for best practice schemes. 60 (33%) suggested that a reduction should be given and the remaining 45 (25%) either had no preference or did not answer the question.
- 6.71 The consultation question referred to above did not set out the benchmarks that must be met by best practice schemes and did not refer specifically to the fact that such schemes could include a BID.
- 6.72 The licensing authority can offer a 30% reduction from the LNL charge for premises in business-led best practice schemes, including a BID. The best practice schemes must meet the following benchmarks specified in the Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012:
- a) 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
  - b) a requirement for active participation in the scheme by members
  - c) a mechanism to identify and remove in a timely manner those members who do not participate appropriately.
- 6.73 The licensing authority has discretion as to how best practice schemes can demonstrate that they meet these benchmarks. The Government expects licensing authorities to use their existing partnerships with best practice schemes, and understanding of a scheme's operation in their area, to identify eligible schemes in their areas.
- 6.74 Details of each BID scheme are summarised in paragraphs 6.31 to 6.34 above. From this information, it appears that all three BID areas satisfy the requirements of paragraph 6.66(a) above in that a primary focus of each area is the reduction of alcohol related crime and disorder. It is likely that the provision of additional police officers and other activities and initiatives which are

provided in partnership with the Council and police may assist in reducing crime and disorder.

6.75 Each BID provides for active participation in the scheme by bringing together local businesses to work with the Council, police and other partners to achieve the schemes objectives. It is recognised that some elements of the BIDs work are not directly relevant to the crime and disorder objective and not all premises are associated with alcohol sales, however all BID members make a financial contribution to the management of the BID which incorporates these key areas. It therefore appears that the requirements of paragraph 6.66(b) are satisfied.

6.76 The final requirement of paragraph 6.66(c) is satisfied by all three BIDS through formal operating procedures.

6.77 There are 57 known premises that contribute to the Inmidtown, Fitzrovia Partnership and Camden Town Unlimited BIDS.

NDRV Band	LNL charge	Number of BID premises	30% reduction	Total reduction
C	£1,259	10	£377.70	£3,777
D	£1,365	8	£409.50	£3,276
D+	£2,730	2	£819.00	£1,638
E	£1,493	29	£447.90	£12,989
E+	£4,440	8	£1,332.00	£10,656
<b>Total</b>		<b>57</b>		<b>£32,336</b>

6.78 If the licensing authority applies a reduction of 30% to those premises the total reduction from the gross LNL revenue will be £32,336. The subsequent effect of this reduction on the viability of the LNL is a relevant consideration for the licensing authority.

6.79 As mentioned in the BID exemption section above, two of the BIDs have not provided details of their members who contribute to the BID levy and at this time, the number of premises that make a voluntary contribution is unknown.

6.80 If all premises below the threshold make a voluntary contribution to their respective BIDs and a 30% reduction on the LNL is offered, the gross late night levy revenue may be reduced by a further £10,517 (to £42,853).

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply an exemption to the payer of a BID levy as defined in regulation 4(h) of The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012**



## Small Business Rate Relief

- 6.81 During the consultation held between 15 February 2015 and 8 May 2015, 101 of the 166 respondents who answered this question (55%) suggested that a reduction should not be given for premises in receipt of Small Business Rate Relief. 36 (20%) suggested that a reduction should be given and the remaining 45 (25%) either had no preference or did not answer the question.
- 6.82 The licensing authority can also offer a 30% reduction for premises that are in receipt of Small Business Rate Relief and have a rateable value of £12,000 or less. This reduction is only available to premises that supply alcohol for consumption on the premises.
- 6.83 There are five relevant premises in Camden that would be liable for the LNL which fulfil the criteria for this reduction. Each of the premises has a NDRV in Band B.
- 6.84 If the licensing authority applies a reduction of 30% to those premises the total reduction from the gross revenue will be £2,688.
- 6.85 The subsequent effect of this reduction on the viability of the LNL is a relevant consideration for the licensing authority.

**When determining the design of the LNL, the licensing authority must state whether it proposes to apply a reduction for premises subject to small business rates relief as defined in regulation 5(1)(b) of the Exemption Regulations**

## Summary of exemptions and reductions

- 6.86 The table below shows the total number of premises that could be eligible for an exemption or reduction. It also shows the reduction in revenue for each category. There will be no cumulative discounts available for premises that are eligible for more than one reduction category.

Premises category	Premises with overnight accommodation	BID exemption**	BID (30% reduction)**	Small Business rate Relief (30% reduction)
Number of eligible premises	2	57	57	5
<b>Total reduction</b>	<b>£2,986</b>	<b>£107,787</b>	<b>£32,336</b>	<b>£2,688</b>
Adjusted for voluntary BID levy payments		£142,843	£42,853	

\*\*Estimated as set out above in respect of InMidtown and Fitzrovia Partnership.

- 6.87 Offering a full exemption to premises that contribute to a BID levy, may reduce the gross revenue by around 30%. While the number of liable premises is estimated, there is greater certainty in respect the number of premises above the NDRV threshold which also contribute to a BID levy. The licensing authority may consider that due to the level of the revenue reduction, it is not viable to offer this exemption.
- 6.88 However, there is less certainty over the exact number of premises below the NDRV threshold that contribute voluntarily to a bid levy. The difference in the level of gross revenue may be as much as £35,056. The licensing authority may feel that this does not affect the viability of introducing a LNL but that it requires more information before it can make a decision on whether to offer a 30% reduction from the LNL.
- 6.89 The licensing authority should consider whether it is appropriate to offer all, some or none of the exemptions and reductions. In view of the estimations in respect of BIDs, the licensing authority may want to obtain further information on membership numbers before making a final decision.

## **Section 7: The late night supply period**

- 7.1 The late night supply period (LNSP) must begin at or after midnight and end no later than 6am. The period can be for any length of time within these limits but it must be the same every day and can be set to suit the opening times of premises in their local area (for example the LNSP could begin at 1am instead of midnight).
- 7.2 Section 1 above identifies 271 premises that supply alcohol between midnight and 6am on days other than New Year's Day. It also identifies the maximum LNL revenue that could be achieved by including all liable premises in the longest permissible LNSP.
- 7.3 The licensing authority can decide the LNSP when considering the design of the LNL. This section identifies the number of premises that supply alcohol between the following hours and the maximum revenue that could be generated during those periods:
- a) 1am and 6am
  - b) 2am and 6am
  - c) 3am and 6am
  - d) 4am and 6am
  - e) 5am and 6am
- 7.4 During the consultation held between 15 February 2015 and 8 May 2015, the Council received 164 responses to the specific question "is midnight to 6am the right period to focus on?" and 96 respondents (53%) agreed that midnight to 6am is the appropriate LNSP.
- 7.5 Of the remaining 68 responses
- f) 11 respondents suggested 1am to 6am
  - g) 8 respondents suggested 2am to 6am
  - h) 2 respondents suggested 3 am to 6am
  - i) 2 respondents suggested 4am to 6am
- 7.6 Reducing the start and end time of the LNSP may affect the viability of the LNL therefore this is a relevant consideration for the licensing authority.

### **1am to 6am**

- 7.7 124 premises in Camden supply alcohol between 1am and 6am. This means that 147 premises out of the 271 liable premises stop serving alcohol at 1am.
- 7.8 If the licensing authority considers it appropriate for the supply period to start at 1am and end at 6 am the LNL revenue will reduce significantly and it should then consider whether the introduction of the LNL is a viable option for this supply period.
- 7.9 Table 11 identifies those premises that supply alcohol between 1am and 6am and the resultant gross LNL revenue.

**Table 11: Premises supplying alcohol between 1am and 6 am**

<b>NDRV</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>D+</b>	<b>E</b>	<b>E+</b>	<b>Total</b>
<b>LNL charge</b>	£299	£768	£1,259	£1,365	£2,730	£1,493	£4,440	
<b>Number of liable premises</b>	2	23	38	12	2	42	5	124
<b>Maximum revenue</b>	£598	£17,664	£47,842	£16,380	£5,460	£62,706	£22,200	<b>£172,850</b>

### **2am to 6am**

7.10 44 premises in Camden supply alcohol between 2am and 6am. If the LNSP starts at 2am the maximum gross revenue for this supply period would be £64,428.

### **3am to 6am**

7.11 12 premises in Camden supply alcohol between 3am and 6am. If the LNSP starts at 3am the maximum gross revenue for this supply period would be £16,631.

### **4am to 6am**

7.12 9 premises in Camden supply alcohol between 4am and 6am. If the LNSP starts at 4am the maximum gross revenue for this supply period would be £11,882.

### **5am to 6am**

7.13 3 premises in Camden supply alcohol between 5am and 6am. If the LNSP starts at 5am the maximum gross revenue for this supply period would be £4,245

## Section 8: Start date of the LNL

- 8.1 The government recommends that licensing authorities set the start date of the LNL to commence at least 3 months after it notifies all relevant persons of its introduction.
- 8.2 The LNL must be paid in full at the same time as the annual licence fee which is due on the anniversary of the grant of the licence. This means that payments will be made by licence holders on different dates throughout the calendar year.
- 8.3 For holders who are granted a licence in the first or subsequent LNL years, the payment year runs from the date of the grant of the licence and for each year thereafter. Their first payment will be made 14 days after the grant of the licence, and thereafter when they pay their annual fee.
- 8.4 There is no legal provision to allow payment by instalments.
- 8.5 The table below shows the gross LNL revenue for each month which corresponds with the date on which the premises annual fee payment under the Licensing Act 2003 is due. The table assumes that all relevant premises are liable but will need to be adjusted if the licensing authority decides to apply any exemptions or reductions.

Jan	Feb	Mar	Apr	May	Jun
£10,901	£7,638	£9,494	£8,148	£12,779	£15,786
Jul	Aug	Sep	Oct	Nov	Dec
£58,510	£90,689	£95,178	£18,242	£23,873	£9,002

- 8.6 The start month for this table will depend on the Council's business process. If the full Council decides to introduce the LNL in January 2016, it should allow at least 3 months from the date of the decision before introducing the LNL.
- a) 25 January 2016 (start date no earlier than 25 April 2016)
  - b) 29 February 2016 (start date no earlier than 29 May 2016)
  - c) 18 April 2016 (start date no earlier than 18 July 2016)

## Section 9: Adjusting a licence holder's liability

9.1 The licensing authority should adjust a licence holder's liability to the LNL in the following circumstances:

- a) a licence lapses under section 27 of the 2003 Act (that is if the holder of the licence dies, becomes mentally incapable, becomes insolvent, if the partnership holding the license is dissolved or if it is a club, ceases to be a recognised club);
- b) an Early Morning Restriction Order (EMRO) is made which prohibits premises from serving alcohol at any time when the LNL applies.

9.2 The amount of the LNL reduction is the amount found by applying the formula:

$$R = (L/365) \times N$$

- a) R is the LNL reduction
- b) L is the LNL amount payable
- c) N is the number of days remaining in the payment year (beginning the day after the relevant event)

9.3 The licensing authority has discretion to adjust a licence holder's liability if the licence is surrendered (for instance, because the licence holder ceases to trade).

9.4 The licensing authority might choose not to exercise this discretion when a licence holder surrenders a licence in anticipation of it being revoked.

9.5 Holders whose licences are revoked for contravening the licensing objectives would not be eligible for a reduction.

9.6 The effect of reducing a holder's liability is a reduction in the LNL revenue. The risk of such an event occurring is low but should form part of the licensing authority's considerations.