

# **SOUTHAMPTON CITY COUNCIL LATE NIGHT LEVY (LNL) – CONSULTATION**

## **1. Background**

1.1 Southampton is a safe city and strives to continue to be a safe and pleasant place to live, work and visit. The entertainment industry in Southampton is a major contributor to the local economy. It attracts tourists and visitors, makes for vibrant communities and is a major employer. Commercial occupiers of premises have legitimate expectations for an environment that is attractive and sustainable for their businesses.

1.2 The Council wishes to consult on its proposals to introduce a Late Night Levy (LNL) on late night licences within the City (i.e. where the premises licence or club premises certificate authorises the supply of alcohol between one minute past midnight and 6am on one or more days in any year). This will produce resources for the police and the Council to be used in addressing the effects of the NTE between midnight and 6am within the City. It believes that it will be a fair way of helping to meet the costs of providing a safe environment and it will benefit businesses, residents and tourists and address some of the harmful health and social consequences of a significant number of late night licences.

1.3 At the current time, the Council's Cabinet has only decided to consult on the proposals. A final decision will be made later in the year taking into account all the views that have been given.

## **We want your views.**

### **2. Who are we going to consult?**

2.1 We must consult with:

- the Hampshire Police and Crime Commissioner;
- the Chief Constable of Hampshire Constabulary; and
- holders of late night premises licences and club registration certificates who will be affected by the LNL.

2.2 We must also publish details on the Council's website and in a local newspaper.

2.3 We will do more:

We will write to the holders of all authorisations that supply alcohol to give them an opportunity to express their views.

2.4 We also want the views of residents and the public. In addition to the notice on the website and the newspaper notice:

- We will consult through the Council's Consultation web-pages; and
- We will write to organisations that represent residents and tenants.

2.5 We will send details to all councillors.

2.6 We will write to Licensing Solicitors and Professionals that work significantly within the City.

2.7 We will consult other Responsible Authorities.

2.8 We will consult with interested other bodies that operate or represent people who operate with the City.

2.9 We would like your views by **31<sup>st</sup> July 2014**

### **3. Some Explanations of Terminology**

#### **What is a Late Night Levy (LNL)?**

3.1 The Police Reform and Social Responsibility Act 2011 allows the Council to introduce a LNL within the City. If introduced, it means that certain premises authorised to supply alcohol will have to pay an additional annual levy to the Council.

#### **What Premises are affected?**

3.2 The LNL will apply to holders of both premises licences and club premises certificates granted by the Council which authorise the supply of alcohol at a time or times during the late night supply period on one or more days in any year.

#### **What is the Late Night Supply Period?**

3.3 The Council must fix the late night supply period but it must begin at or after midnight and end at or before 6am (see Section 5).

3.4 The LNL will apply if the licence or certificate authorises the supply of alcohol during the late night supply period, whether or not the premises actually operate during that period. For the LNL to apply, the late night authorisation only has to apply on one day in a year. This includes premises with a condition on their licence that allows alcohol to be served after the decided hour on application to the police, normally referred to as an ACPO TEN whether used or not.

#### **Exemption and Reductions**

3.5 The Council can grant certain exemptions (see Section 6) and reductions (see section 7).

3.6 Subject to these exemptions and reductions, the LNL will apply throughout the area of the City. It cannot apply to only part of the City.

#### **Which Late Night Premises are not affected?**

3.7 The LNL only applies to premises supplying alcohol. It does not apply to premises that only provide regulated entertainment or late night refreshment, without the supply of alcohol.

3.8 Nor does it apply to premises that supply alcohol during the late night supply period only under the authority of a Temporary Event Notice (however see 3.4 above)

### **How long does the LNL continue for and can it be varied?**

3.9 Once the LNL has been introduced, the LNL will continue until the Council decides that the levy shall cease to apply.

3.10 The Council can also vary the late night supply period, the exemptions and reductions, or change the split of the proceeds between the police and the Council.

3.11 These changes can only take effect at the end/beginning of a levy year. There must be further consultation before changes such as these are made.

### **Can licensees vary their licences to avoid the LNL?**

3.12 If the Council decides to introduce the LNL, holders of premises licences and club registration certificates have a right, before the LNL starts and without payment of any fee, to make an application to vary their authorisation so that the premises will not be subject to the LNL (e.g. by seeking to change the days or hours of operation).

### **When is the LNL payable and how is it enforced?**

3.13 In the case of existing authorisations, the LNL is payable annually when the annual fee is payable. In the case of new authorisations, the first LNL is payable within 14 days after the grant of authorisation and, in subsequent years, at the same time as when the annual fee is payable.

3.14 If the LNL is not paid within 21 days, the Council is required to suspend the premises licence or the club registration certificate until it is paid. It is also recoverable as a debt.

### **How much is the LNL?**

3.15 The amount of the LNL is fixed by the UK Government and depends on the rateable value and use of the premises. The amounts are set out below:

#### **Rateable Value Bands Annual LNL**

(based on the existing fee bands)

Band	Rateable value	Levy amount
Band A	Nil to £4,300	£299
Band B	£4,301 to £33,000	£768
Band C	£33,001 to £87,000	£1259
Band D	£87,001 to £125,000	£1365 (see note below)
Band E	£125,001 and above	£1493 (see note below)

**Note:** Where premises within Bands D or E primarily or exclusively sell alcohol for consumption on the premises, a multiplier is applied to ensure that larger clubs and bars make a higher contribution:

- D. x2 £87,001 to £125,000 £2,730
- E. x3 £125,001 and above £4,440

Premises with no rateable value fall within Band A  
Premises that are in the course of construction fall within Band C.

3.16 The liability for the LNL is reduced if the authorisation lapses or if an Early Morning Alcohol Restriction Order comes into force. The Council can also decide to reduce the liability for the LNL if the authorisation is surrendered but not if it is revoked.

#### **What can the LNL be used for?**

3.17 The Council is entitled to deduct prescribed expenditure from the amount received in respect of the LNL (see Section 8) to cover the expenses of introducing and administering the levy. It must then pay at least 70% of the net amount to the Hampshire Police and Crime Commissioner and retain the balance and use it for certain prescribed purposes (see Sections 8 and 9).

## **CONSULTATION QUESTIONS**

### **4. Should a Late Night Levy be introduced in the City?**

4.1 As background to the introduction of the LNL powers, the Government has said:-

*“As part of the Government’s commitment to overhaul alcohol licensing to tackle alcohol-related crime and disorder and resulting harms in favour of local communities, various measures were introduced in the 2011 Act. These include provision for the levy, which fulfils a commitment in the Coalition agreement to permit local councils to charge more for late night licences to pay for additional policing. The Government does not believe it is fair to expect local communities and taxpayers to bear the full brunt of the costs that the late night economy causes in their area. Therefore, this charge allows licensing authorities to require those businesses that benefit from the existence of a late night economy in their area to contribute to some of the costs that it causes.”*

4.2 The Council has had initial discussions with the Hampshire Police and Crime Commissioner and the Chief Officer of Police for Southampton to see whether, subject to consultation, they support in principle the introduction of the LNL within the City. They both supported the initial proposal, subject to further consultation.

4.3 The introduction of a LNL was suggested after public response to Council budgets. This is the start of the consultation process.

#### **Statutory Criteria**

4.4 The 2011 Act states that the Council must consider two matters (although these are not necessarily exclusive):-

- The costs of policing and other arrangements for the reduction or prevention of crime and disorder, in connection with the supply of alcohol between 0001 and 0600; and
- Having regard to those costs, the desirability of raising revenue to be applied in accordance with the Act.

4.5 The Council has identified the following costs, the extent of crime and disorder and the benefits attributable to the late-night supply of alcohol. It has been difficult to be precise about the costs because financial systems do not always distinguish between costs on the basis of the time at which they were incurred. The benefits of some expenditure will be of value both during and outside of the late night supply period. In that respect it is necessary to take a broad brush approach.

## **COSTS ETC.**

### **Cost of policing in connection with late-night supply of alcohol**

4.6 Hampshire Police have calculated that it costs £1.6 million per annum to police the NTE (Night Time Economy) area between midnight and 6am within Southampton city centre.

4.7 The costs relate to officers deployed for the whole NTE operation and include an element of custody, investigation and a small element of vehicle/transport costs. These ancillary costs have been adjusted downwards to reflect absorbed costs for other policing functions by those officers in those time periods.

4.8 The core hours between midnight and 6am costs £588,829 alone in officer costs for high visibility patrols in the Southampton NTE alone.

4.9 In addition there will be costs in relation to areas outside of the City Centre but it has not been possible to identify the element associated with the NTE.

4.10 The Home Office has said:

*“Alcohol-related crime and disorder causes a large cost to the police. According to the British Crime Survey, 16% of violent crime occurs between midnight and 6am (British Crime Survey, 2010-113). In addition to the direct effects, the police are, for example, required to carry out follow-up activities such as investigations and arranging custody. Furthermore, in 44% of all violent incidents, the victim believed the offender to be under the influence of alcohol. When 38 police authorities were asked about overtime arrangements, 22 said that the NTE was a major cause of their overtime payments.”*

[**Source:** Impact Assessment – 9/5/12 – “Dealing with the problem of late night drinking – implementation of secondary legislation.”]

### **Cost of other arrangements for the reduction or prevention of crime and disorder in connection with the late-night supply of alcohol**

4.11 There are 3 visible services provided to support the NTE:

- Taxi Marshals
- Street Pastors
- I.C.E. bus

The Taxi Marshals cost £26,000 per annum

The Street Pastors are funded in a number of ways but have relied on grants from SCC. The grant was £45,750 for 2013/14 and will be £42,548 in

2014/15. However it must be noted Street Pastors operate in areas outside of the NTE as well. Their overall running costs exceed £100,000 per annum. The I.C.E. bus costs circa £33,000 a year.

In addition to this the relevant authorities commit time and resources to

4.12 The Council's Environmental Services incur costs cleaning the streets at the end of the night in preparation for the day time trade.

4.13 A significant amount of Emergency Department attendances are alcohol related, particularly late at night and in the early hours of the weekend. Alcohol Concern estimate that there were 21,699 ED attendances in Southampton for the year 2010/2011.

*(The inpatient admissions and A&E attendances data are for 2010/11. Estimates for outpatient attendances are based on benchmarks from the Birmingham Heavy Drinkers Project (1997 to 2004), The General Lifestyle Survey (2009) and the number of high risk drinkers taken from Local Alcohol Profiles (LAPE) (2005) estimates).*

Alcohol Concern also suggest that alcohol related healthcare costs every adult in Southampton £62 per year.

Clearly the NTE is not the only contributor to these figures and there is no way of identifying the costs directly attributable to the NTE.

### **Extent of crime and disorder in connection with the late-night supply of Alcohol**

4.14 In order to put the costs into context and explain the need for them, Hampshire Police have provided statistics showing recorded crimes and ASB incidents for the **last 9 months** within Southampton city centre.

4.15 These are those linked to a licensed premise or have occurred in a public place covering the area of the 5 zones the police use to identify the NTE area between 01/04/13 and 31/01/14 and between the hours of **1900** [can we break down to after midnight as this figure squews it?] and **0700** hours.

There are 1440 Violence Against the Person incidents linked to a licensed premise or have occurred in a public place between 01/04/13 and 31/01/14 and between the hours of 1900 and 0700 hours.

There are 1452 Anti Social Behaviour incidents reported between 01/04/13 and 31/01/14 that occurred within the Southampton Central safer neighbourhood area. 648 or 44% occur between midnight and 0600.

### **Alcohol related**

438 (30%) of the 1440 Violence Against the Person crimes are linked as having an offender in drink at the time of the incident. The number of offenders in drink is likely to be higher than recorded, particularly if no offender is identified, so this assessment cannot be made. There is no figure for victims in drink available due to limitations of the recording

### Southampton City Centre (Midnight to 6am)

These have been split by day and hour and shown in the following tables;

1. The table below highlights the increased incidents of VAP offences that coincide with peaks in the NTE, i.e. Tuesdays into Wednesdays and weekends.

Night (1900 to 0700)	Number of VAP recorded crimes	VAP between 0001 and 0600	% recorded between 0001 and 0600
Sunday – Monday	154	58	37.66
Monday – Tuesday	143	55	38.46
Tuesday – Wednesday	186	104	55.91
Wednesday - Thursday	101	33	32.67
Thursday – Friday	163	82	52.03
Friday – Saturday	327	205	62.69
Saturday – Sunday	366	235	64.2

### 2. All ASB Incidents by day and hour (based on time from)

ASB	Reported Hour						Grand Total
	Midnight	1am	2am	3am	4am	5am	
Occurrence Start Day of Week							
Monday	16	10	7	5	5	2	45
Tuesday	13	13	16	6	3	6	57
Wednesday	19	19	10	18	16	8	90
Thursday	14	11	6	7	5	1	44
Friday	23	19	12	10	14	4	82
Saturday	33	33	19	21	23	7	136
Sunday	41	49	36	25	27	16	194
<b>Total</b>	<b>159</b>	<b>154</b>	<b>106</b>	<b>92</b>	<b>93</b>	<b>44</b>	<b>648</b>

4.16 There is also a clear spike in reported Violence Against the Person and ASB on Tuesday evenings into Wednesday, this is attributable to a vibrant student population where venues cater for that market on each Tuesday. There are 3 officers assigned to do VCS high visibility patrols throughout the academic year.

4.17 An important point to also note is that the above figures are unlikely to be a fully accurate reflection of violence within the NTE, several crime types and incidents that occur outside of licensed premises but within the 5 zones will not be included in the analytical review.

4.18 There are also likely to be other crime types and incidents occurring in a public place during this time period that is not related to alcohol consumption or the NTE, but due to data quality it is not possible to exclude all these offences at this time.

4.20 Although these figures are not precise, it is nevertheless clear that the police, Southampton City Council and other partners incur substantial costs in relation to the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6am.

4.21 This has to be weighed against the economic benefits that the NTE provides to the City.

### **Benefits of the NTE in the City**

4.22 The NTE in Southampton stretches from Town Quay in the south of the city centre up to London Road in the north, it also has impact in Bevois Valley, St Marys, Oxford Street and West Quay Road. There are over 200 licensed premises licensed to sell alcohol after midnight in the city. These premises generate funds by way of taxes and other charges and provide employment and training opportunities.

4.23 The NTE attracts people from a wide area, including London, Bristol and Reading and this impacts positively on other areas of the city's economy such as hotels, taxis and shopping.

4.24 In addition to the alcohol premises there are a number of fast food and takeaway establishments that are reliant on a vibrant NTE.

### **Conclusion**

4.25 Although these figures are not precise, it is nevertheless clear that the police, Council and partners incur substantial costs in relation to the reduction or prevention of crime and disorder, in connection with the supply of alcohol between midnight and 6am. It is also clear that the NTE provides economic benefits to the City.

### **Consultation Question 1**

(a) Do you agree that the costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the late-night supply of alcohol are a fair assessment?

(b) Do you think that any of the costs ought not to be taken into account?

(c) Do you think that there are other costs that should be taken into account?

### **Consultation Question 2**

(a) Do you agree with the assessment of crime and disorder in connection with the late-night supply of alcohol?

(b) Do you think anything has been left out?

(c) Do you think that anything mentioned should not be taken into account?



### **Consultation Question 3**

- (a) Do you agree with the assessment of the benefits of the Night Time Economy in the City?
- (b) Do you think there are any other benefits?
- (c) Do you think that any benefits mentioned are not relevant?

## **DESIRABILITY**

### **Desirability of raising revenue through the levy Potential Income**

4.26 The Council estimates that, if all existing premises that are authorised to supply alcohol between midnight and 6am are subject to the LNL, the potential additional income will be up to £240k.

4.27 This will fall if the late night supply period is fixed for a lesser period, if exemptions or reductions are agreed, and if premises choose to make free applications to reduce their authorised hours so as to avoid the LNL. It is more difficult to be precise about a figure in these circumstances since they depend to an extent on the actions of licence holders; the Council's best estimate is £100k.

4.28 The Council estimates that it will cost £25k to introduce the LNL and administer it in the first year; it estimates that it will cost £15k to administer the LNL in future years.

4.29 While recognising that these figures are estimates, it is clear that the LNL has the potential to raise sufficient revenue to make it viable to introduce a LNL.

### **Need for the revenue**

4.30 The 2014/15 budget report approved by the council in February stated *The Council received its draft funding settlement from the Government for 2014/15 and 2015/16 just before Christmas 2013. Initial analysis of this and the anticipated impact of income levels from Business Rates confirm that the future financial forecast position continues to be extremely challenging. Changes to proposals have been considered in this context with a view to mitigating the greatest impacts whilst considering how best longer term and more sustainable solutions can be delivered.* It is estimated the Council faces the challenge of finding a further £54.7m of savings by 2016/17.

4.31 Since 2010 Hampshire Constabulary has been through a major change programme to achieve £55m savings. Further cuts of £25m are expected for 2015-17.

4.32 With increasing pressures being placed upon the budgets of both Southampton City Council and Hampshire Constabulary funding sources for the services provided need to be addressed. The proposals for the use of the LNL are addressed in section 9. These will help address the crime and disorder issues that exist. These benefits are not only for residents, police, the Council and persons directly affected by crime and anti-social behaviour but also the businesses operating in or benefiting from the NTE and their staff and customers, who also stand to benefit from the LNL through a better funded local police force and local authority services, which should make the NTE between midnight and 6am safer for them.

4.33 The Government has indicated that the LNL charges are designed to reflect an estimate of the number of police hours that may be required as a result of premises opening beyond midnight. It was estimated that, very broadly, one hour of a police officer's time may reasonably be expected to be incurred for every two hours that a large premises opens late (This was not intended to provide an accurate assessment of how much the late night economy costs police forces, but provided a means for setting an appropriate LNL charge based on the principle that police resources are employed as a result of premises opening late). To ensure that the charge was a fair and proportionate burden on business, proportionately smaller charges were set for premises with lower rateable value (and, for larger premises, those not used primarily or exclusively for the sale of alcohol for consumption on the premises).

4.34 On the other hand the NTE does provide significant economic benefits for the City and the Council must also examine any potential detriments that might be caused by the introduction of the LNL.

4.35 The LNL will range from £299 to £4,440 per year. This is the equivalent of between 82p and £12.16 per day. It is unlikely that this will have a detrimental effect on affected businesses or cause them to change their operation. The Government has said that premises are expected to make higher profits than the cost of the LNL and thus not be dissuaded from operating (as distinct from possessing authorisation allowing them to operate). They consider that 25% is a reasonable estimate of the proportion of premises that may seek to avoid the LNL, by changing their authorisation where they do not actually operate during those hours. But they also say that they expect that only a very small proportion of premises will reduce their actual operating hours to avoid the LNL. Newcastle implemented the Late Night Levy on 1<sup>st</sup> November 2013 and by 1<sup>st</sup> March 2014 had received 123 applications to vary out of the levy, leaving 245 premises liable to the levy. They add a number of premises are applying for the variation once they receive the payment demand. This means over a third have varied out of the levy period.

4.36 The UK Government sets the amount of the LNL and has not indicated that it intends to increase the amount of the LNL regularly. It has indicated that it proposes to review the whole policy in 2017.

4.37 On this basis, the introduction of the LNL is not expected to significantly affect the NTE in the City..

4.38 In section 7, the Council indicates that it does not intend to grant any reductions to any current business-led best practice schemes, although it would welcome businesses developing such a scheme. On the same basis it does not consider that current schemes and their associated costs are material to the desirability of introducing the LNL.

4.39 Some may argue that the costs of addressing crime and disorder should be financed through general taxation rather than be a burden on operators. Parliament has however created the power to introduce the LNL and require a low but significant contribution to the costs by operators. The principal has been decided by Parliament and the Council does not see any need to question that.

4.40 As has already been indicated, by law the LNL has to apply throughout the City and the Council has only limited power to grant exemptions or reductions. Crime figures show that there are a number of crime and anti-social behaviour hotspots in the city centre. It might be argued that it is therefore unfair that the LNL should also be paid by premises in areas away from the hotspots or areas that do not directly see the services provided to the NTE. The Council has addressed the issue in the city centre by cumulative impact assessments. The Council could also look at Early Morning Restriction Orders (EMROs) but would prefer to work towards addressing the impact of the NTE and encourage responsible management rather than curtailing the NTE and the consequential economic effects. It will also look at statutory reviews in relation to specific premises that cause problems to the licensing objectives.

4.41 There are specific matters which the Council can do within city centre. It has a desire to continue to do this. However, outlying areas are not without issues that call on Police and Council resources. While this may be occasional, the Council does consider that it is fair that they contribute towards the levy, and any unfairness is addressed by the way the levy depends on rateable value and the multipliers for premises exclusively or primarily used for the supply of alcohol for consumption on the premises. The support that will be resourced from LNL funds are intended to make Southampton a safe and pleasant place to live, work and visit, therefore enhancing the reputation of the city. This mitigates any perceived unfairness.

4.42 On balance, in the light of all these issues, the Council considers that it is desirable to raise the revenue by introducing a levy to be applied in accordance with the Act.

4.43 The Council also proposes to review the operation of the levy annually from 2017 and can vary or remove the levy to take effect at the end of any levy year. This will allow the Council to address any detrimental effects that might occur.

#### Consultation Question 4

(a) Do you have any comments on the potential income that the levy may raise?

#### Consultation Question 5

(a) Do you agree that there is a need to raise the revenue that a levy may produce?

(b) Are there any other issues that you would like the Council to consider?

#### Consultation Question 6

(a) Do you agree that it is desirable to raise the revenue through a levy to be used by the police and the Council?

(b) Have you any comments on the considerations expressed in section 4?

(c) Are there any other matters which you think that the Council should take into account in deciding whether it is desirable to introduce a levy?

### 5. What should be the Late Night Supply Period?

5.1 The Late Night Supply Period must begin at or after midnight and end at or before 6 am. It is the Council's responsibility to fix the actual Late Night Supply Period within those parameters. The LNL is only payable in respect of premises that are authorised to supply alcohol during that period.

5.2 The Council proposes to set the LATE NIGHT SUPPLY PERIOD as a period that **begins at one minute passed midnight and ends at 6am.**

5.3 It is considered that all premises opening during this period will impact on the need for additional resources to address the consequences of the NTE before midnight and 6am and so should contribute to the costs incurred by the police and the Council.

5.4 One minute passed the hour is considered preferable to prevent legal argument determining licences ending on the hour are liable to the levy or not.

5.5 The table below shows the split of terminal hours for premises. This does not take account of premises with conditions allowing alcohol to be served beyond midnight. It can be seen the majority of licences are in the first 2 hours and it is from these premises it can be anticipated the majority of applications to vary out of the levy period is likely to be made. Any move on the time is likely to impact on the revenue to such an extent that it would bring into question the viability of introducing the levy.

Licence finish	Number of	Total amount of levy if applied fully to all
----------------	-----------	--

between	premises	premises
0000 to 0059	57	£55,427
0100 to 0159	73	£88,117
0200 to 0259	46	£52,871
0300 to 0359	20	£29,191
0400 to 0459	7	£8065
0500 to 0559	5	£6,549
<b>TOTALS</b>	<b>208</b>	<b>£240220</b>

### **Consultation Question 7**

(a) Do you agree that the Late Night Supply Period should be a period that begins at one minute passed midnight and ends at 6am? What are your reasons for this?

(b) If you think that the Late Night Supply Period should be for a different period, what should be the hours? What are your reasons for this?

## **6. What exemptions should be allowed?**

6.1 The Council may exempt certain categories of premises from the LNL. These categories are prescribed in regulations and the Council cannot exempt premises that do not fall within a prescribed category. Nor may the Council decide to exempt only certain premises that fall within a prescribed category. All premises that fall within an applied exemption are entitled to be exempt from the LNL. The only decision which the Council may make is whether or not a particular category of exemptions should apply within the City.

6.2 The Regulations are prescriptive in defining the categories and so the wording of the regulations is set out.

### **Overnight Accommodation**

6.3 The Council may exempt:-

*Premises which are a hotel or guest house, lodging house or hostel at which the supply of alcohol between midnight and 6am on any day may only be made to a person—*

- (i) who is staying at the premises, and*
- (ii) for consumption on the premises.*

6.4 The exemption would not, for instance, apply to a hotel which sold alcohol to the persons not staying at the hotel between midnight and 6am.

6.5 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 8**

- (a) Do you agree that prescribed premises providing overnight accommodation should be exempt? Please explain your views.

### **Theatres**

6.6 The Council may exempt:-

*Premises which are a theatre at which the supply of alcohol between midnight and 6am on any day may only be made to a person for consumption on the premises who is—*

- (i) a ticket holder in relation to a relevant production at the premises,*
- (ii) concerned in the performance, organisation or management of the relevant production, or*
- (iii) invited to the premises as a guest to attend an event to which the public do not have access.*

6.7 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 9**

- (a) Do you agree that prescribed theatres should be exempt? Please explain your views.

### **Cinemas**

6.8 The Council may exempt:-

*Premises which are a cinema at which the supply of alcohol between midnight and 6am on any day may only be made to a person for consumption on the premises who is—*

- (i) a ticket holder in relation to the exhibition of a film at the premises, or*
- (ii) invited to the premises as a guest to attend an event to which the public do not have access;*

6.9 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 10**

(a) Do you agree that prescribed cinemas should be exempt? Please explain your views.

#### **Bingo Halls**

6.10 The Council may exempt:-

*Premises in respect of which—*

*(i) the provision of facilities for the playing of bingo is authorised by a bingo premises licence granted in accordance with section 163 of the Gambling Act 2005,*

*(ii) the holder of the bingo premises licence is authorised to provide facilities for the playing of bingo by virtue of a non-remote bingo operating licence granted in accordance with section 74 of the Gambling Act 2005, and*

*(iii) the playing of bingo is the primary activity carried on at the premises.*

6.11 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 11**

(a) Do you agree that prescribed bingo halls should be exempt? Please explain your views.

#### **Community Amateur Sports Clubs**

6.12 The Council may exempt:-

*Premises which are a club which is registered as a community amateur sports club by virtue of section 658 of the Corporation Tax Act 2010.*

6.13 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am. There are currently 8 in the City.

### **Consultation Question 12**

(a) Do you agree that prescribed Community Amateur Sports Clubs should be exempt? Please explain your views.

#### **Community Premises**

6.14 The Council may exempt:-

*Premises which are community premises in relation to which the premises licence contains the alternative licence condition.*

*“Community premises” means premises that are or form part of –*

*(a) a church hall, chapel hall or other similar building, or*

*(b) a village hall, parish hall, community hall or other similar building.*

6.15 Community premises can apply to replace the mandatory conditions regarding designated premises supervisors and the authorisation of sales by personal licence holders by the alternative licence condition that the supply is made by or authorised by the management committee.

6.16 The Council proposes to **EXEMPT** these premises. It is not considered that these premises contribute significantly to the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 13**

(a) Do you agree that prescribed Community Premises should be exempt? Please explain your views.

#### **Country Village Pubs**

6.17 The Council may exempt:-

*Premises which are a public house which is a hereditament in respect of which the ratepayer is subject to a non-domestic rate calculated in accordance with section 43(6A) of the Local Government Finance Act 1988.*

6.18 These are sole pubs in designated rural settlements with a population of less than 3,000. The premises are entitled to business rate relief to assist in the survival of rural businesses. There are currently no such actual premises within the City. However, if they did exist and were to operate in the late night period, there is no reason to suggest that they are less likely than similar businesses to contribute towards the detrimental effects of the NTE between midnight and 6am.

6.19 The Council proposes **NOT TO EXEMPT** these premises.

### **Consultation Question 14**

(a) Do you agree that prescribed Country Village Pubs should NOT be exempt? Please explain your views.

#### **Business Improvement Districts**

6.20 The Council may exempt:-

*Premises which are a hereditament in respect of which—*

*(i) the ratepayer is liable for a BID levy in accordance with section 46 of the Local Government Act 2003, and*

*(ii) the BID arrangements in relation to which a BID levy is imposed are established for purposes which include relevant purposes.*

*“relevant purposes” are purposes which result in, or are likely to result in, the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 6am at premises in relation to which a relevant late night authorisation has effect.*

6.21 There is no BID in Southampton at present. It is unlikely any future BID will be designed to deal solely with the NTE between midnight and 6am.



6.22 The Council proposes **NOT TO EXEMPT** these premises.

### **Consultation Question 15**

(a) Do you agree that prescribed BID premises should NOT be exempt? Please explain your views.

#### **New Year's Eve/Day**

6.23 The Council may exempt:-

*Premises which are authorised to supply alcohol for consumption on the premises between midnight and 6am on 1st January in every year (but are not so authorised at those times on any other day in any year).*

6.24 These are premises that are authorised to sell alcohol between midnight and 6 am only on New Year's Day.

6.25 The Council proposes to **EXEMPT** these premises. There are few, if any, premises that open only by exception on New Year's Day between midnight and 6am and will generally be community led and are less likely than similar businesses to contribute towards the detrimental effects of the NTE between midnight and 6am.

### **Consultation Question 16**

(a) Do you agree that premises that only operate on New Year's Day between midnight and 6am should be exempt? Please explain your views.

## **7. What reductions should be allowed?**

7.1 The Council may reduce the LNL by 30% for two categories of premises. These categories are prescribed in regulations and the Council cannot reduce the LNL for premises that do not fall within a prescribed category. Nor may the Council decide to reduce the LNL for only certain premises that fall within a prescribed category. All premises that fall within an allowed category are entitled to the same reduction from the LNL. The only decision which the Council may make is whether or not a particular category of reduction should apply within the City.

7.2 Premises are only entitled to one reduction of 30% even though they may fall in more than one category of reduction or in the case of business-led Best Practice Schemes are members of more than one scheme. If premises fall within a category, they are entitled to the full reduction of 30%; the Council has no discretion to award a lower or higher reduction.

7.3 The Regulations are prescriptive in defining the categories and so the wording of the regulations is set out.

#### **Small Business Rate Relief**

7.4 The Council may allow a reduction:-

*in relation to premises, at which the authorisation permits the supply of alcohol for consumption on the premises only, which are a hereditament in respect of which—*

- (i) the ratepayer is subject to a non-domestic rate calculated in accordance with section 43(4A) of the Local Government Finance Act 1988, and*
- (ii) the rateable value is not more than £12,000.*

7.5 These are premises that already receive Small Business Rate Relief.

7.6 The Council proposes **NOT TO GRANT** a reduction for these premises. These premises get business rates relief to assist in their viability. However, if they operate in the late night supply period, there is no reason to suggest that they are less likely than similar businesses to contribute to the detrimental effects of the NTE between midnight and 6am. They will in any event be subject only to the lower bands of the LNL, because of their low rateable value.

### **Consultation Question 17**

(a) Do you agree that prescribed premises that receive Small Business Rate Relief should NOT be entitled to a reduction in the levy? Please explain your views.

### **Members of Business-Led Best Practice Schemes**

7.7 The Council may allow a reduction for:-

*... members of ... an arrangement which—*

- (a) is established for purposes which include relevant purposes,*
- (b) requires its members to take steps to promote the relevant purposes, and*
- (c) contains provision for the cessation of the membership of a holder ... who has failed to take steps to promote the relevant purposes.*

*“relevant purposes” are purposes which result in, or are likely to result in, the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 6am at premises in relation to which a relevant late night authorisation has effect.*

7.8 This reduction is to permit licensing authorities to use the LNL to promote and support participation by premises in business-led best practice schemes. The scheme has to comply with benchmarks specified above in regulations.

7.9 The Council proposes **NOT TO GRANT** a reduction for such premises at this time but would welcome the development of such a scheme.

7.10 It is not intended to reduce the LNL for members of existing business led best practice schemes as it is not considered current schemes are of sufficient standing and provide the necessary outcomes to warrant a reduction. However, the Council wishes to consult stakeholders about whether it will be possible to develop such a scheme that provides 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. Initial discussions with the trade as regards this issue have been very positive and any future initiatives will address issues such as irresponsible drinks promotions. If such

a scheme is developed, the Council will consider further the possibility of granting a reduction, either initially or in the future.

### **Consultation Question 18**

(a) Do you agree that at this time members of business-led Best Practice Schemes should NOT be entitled to a reduction? Please explain your views.

(b) Do you agree that such a scheme should be developed? If so, what should be in the details? How can it be developed? How will it be led?

(c) If such a scheme were to be developed, do you agree that members should be entitled to a discount?

## **8. How should the net revenue from the LNL be split between the police and the Council?**

8.1 The Council must pay at least 70% of the net revenue to the Hampshire Police and Crime Commissioner. The Council retains the balance. The Council has the power when designing the scheme to pay a larger proportion to the Hampshire Police and Crime Commissioner. The Council may vary the proportion in future years, subject to prior consultation.

8.2 The Council identifies what it would like to use its share of the proceeds for in section 9.

8.3 The Council already incurs significant costs in addressing the effects of the night time economy (as do the police) (see section 4) and the Council's maximum share will enable it to provide services to support the Night Time Economy. Specifically it will allow the Council to develop the proposals in section 9.

### **Consultation Question 19**

(a) Do you agree that the net revenue from the levy should be split 70:30 between the Hampshire Police and Crime Commissioner and the Council? Please explain your views.

(b) If you think that the Hampshire Police and Crime Commissioner should receive a larger (than 70%) proportion of the net revenue, please state what percentage you propose? [N.B. It is not possible to reduce the proportion to below 70%.] Please explain your views.

## **9. What should the net revenue from the LNL be used for?**

9.1 In line with the standard practice on the allocation of police funds, there are no restrictions on what the Hampshire Police and Crime Commissioner's share can be spent on. The Hampshire Police and Crime Commissioner's share will be subject to the same transparency measures as those that apply in relation to the other aspects of the operation of the Hampshire Police and

Crime Commissioner. The Police and Crime Panel will be able to request most documents of the Hampshire Police and Crime Commissioner in order to hold him to account in the allocation and use of his funds.

9.2 The Home Office recommends that licensing authorities should use its existing partnership with the police to discuss the police's intentions for their share of the levy revenue. They also recommend that the Hampshire Police and Crime Commissioner should consider allocating the funds raised from the LNL back to local commanders to allow the revenue to be spent on tackling alcohol-related crime and disorder in the area in which the LNL was raised. The PCC has already advised that he will do this.

9.3 Regulations prescribe what the Council may use its share for.

9.4 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.

9.5 The Council proposes to continue with and develop a range of activities on which to spend its share of the LNL which will be provided to tackle the alcohol related crime and disorder between midnight and 6am, and community safety services connected to the management of the NTE between midnight and 6am, including:

- Night time economy management
- Taxi marshalling
- Street pastors
- I.C.E. bus
- CCTV improvements
- Street cleaning including the possibility of temporary toilets
- Enforcement initiatives
- Personal safety initiatives

9.6 Ideally, in order to use the LNL in the most efficient and cost effective manner, rather than see the levy revenue split between two separate programmes, the Council wishes to reach agreement with the Hampshire Police and Crime Commissioner to develop a single programme delivered in partnership between the Council and the police in line with the regulations. Discussions will take place to attempt to achieve this.

## **Consultation Question 20**

(a) Do you have any comments on the range of activities which the Council would wish to develop using its share of the levy revenue? Is there anything else that you would like to see? Please explain your views.

(b) Would you support developing a single programme delivered in partnership between the Council and the police? What would you like it to cover? Please explain your views.

## **10. What is the future timetable?**

10.1 Bearing in mind the need to allow sufficient time for wide consultation and, if it is decided to introduce a LNL, time for licence holders to make free applications to vary their licences to avoid the LNL, it is considered that the earliest date for implementation will be the **1<sup>st</sup> February 2015**.

10.2 Therefore the first levy year will run from the 1<sup>st</sup> February 2015 to 31<sup>st</sup> January 2016 and subsequent levy years will follow on the corresponding future dates.

10.3 For holders of late night authorisations on the 1<sup>st</sup> February 2015, the first payment year will run from 1<sup>st</sup> February 2015 to 31<sup>st</sup> January 2016. Subsequent payment years will follow on the corresponding future dates. The levy will be payable at the same time as when the annual fee is payable.

10.4 For holders who are granted a late night authorisation on or after 1<sup>st</sup> February 2015, while the levy years will be the same as for existing holders, the first payment year will be the period of one year beginning on the date of authorisation and subsequent years will follow on the corresponding future dates. The first levy will be payable 14 days after the grant of the authorisation and levies in subsequent payment years will be payable on the date when the annual fee is payable.

10.5 The Council's full anticipated Timetable is set out below:-

15 <sup>th</sup> April 2014	Cabinet Report and final design of consultation
25 <sup>th</sup> April 2014	Statutory Consultation Starts
31 <sup>st</sup> July 2014	End of Statutory Consultation
Summer 2014	Consideration of the outcome of consultation and finalisation of the proposals
Early September 2014	Report to the Licensing Committee
16 <sup>th</sup> September 2014	Report to Full Council
Autumn/Winter 2014	Determination of Minor Amendments to Vary Hours
1 <sup>st</sup> February 2015	Target date for implementation of Start First Levy Year
2017	Review

10.6 If there is a need for further consultation, the implementation date may change.

## **Consultation Question 21**

(a) Do you agree that the Council should seek to implement the LNL on 1<sup>st</sup> February 2015? Please explain your views.

(b) If you think that the LNL should be implemented on a different date, what date do you propose? Please explain your views.

(c) Have you any other comments on the proposed timetable? Please explain your views.

## **11. What happens next?**

11.1 This consultation period ends on **31<sup>st</sup> July 2014** The Council will then consider the views that have been expressed and come to a view on whether the proposals should proceed, with or without amendments. It will also decide whether there needs to be further consultation. This process will result in the report being considered by the Council's Licensing Committee and full Council (which will be the body responsible for making the final decision).

11.2 If it is decided that the introduction of the LNL should proceed, formal notice must be given to various people, and before implementation, there will be a period to allow holders to make free applications to vary their authorisations so that they will not be subject to the LNL.

## **12. How can I express my views?**

12.1 Complete the questionnaire attached to this Consultation Document

12.2 Send completed questionnaires by one of the following methods:

- E-mail to: [licensing.policy@southampton.gov.uk](mailto:licensing.policy@southampton.gov.uk)
- Post to : Late Night Levy Consultation, Licensing, Southampton City Council, PO Box 1767, Southampton. SO18 9LA

Further copies are available on the Council's website

<http://www.southampton.gov.uk/business/licensing/alcohol-licences/lnl.aspx>

## QUESTIONNAIRE

Please complete and return this questionnaire by **31<sup>st</sup> July 2014**

**BY E-MAIL to:** [licensing.policy@southampton.gov.uk](mailto:licensing.policy@southampton.gov.uk)

BY POST to: Late Night Levy Consultation, Licensing, Southampton City Council, PO Box 1767, Southampton. SO18 9LA

PLEASE INCLUDE ADDITIONAL SHEETS IF THERE IS NOT ENOUGH SPACE

### **Consultation Question 1 – COSTS**

(a) Do you agree that the costs of policing and other arrangements for the reduction or prevention of crime and disorder in connection with the late-night supply of alcohol are a fair assessment?

(b) Do you think that any of the costs ought not to be taken into account?

(c) Do you think that there are other costs that should be taken into account?

(a)

(b)

(c)

## **Consultation Question 2 – CRIME AND DISORDER**

- (a) Do you agree with the assessment of crime and disorder in connection with the late-night supply of alcohol?
- (b) Do you think anything has been left out?
- (c) Do you think that anything mentioned should not be taken into account?

(a)

(b)

(c)



### **Consultation Question 3 – BENEFITS OF A NTE**

(a) Do you agree with the assessment of the benefits of the Night Time Economy in the City?

(b) Do you think there are any other benefits?

(c) Do you think that any benefits mentioned are not relevant?

(a)

(b)

(c)

**Consultation Question 4 – INCOME FROM THE LNL**

(a) Do you have any comments on the potential income that the levy may raise?

(a)

**Consultation Question 5 – NEED TO RAISE REVENUE**

(a) Do you agree that there is a need to raise the revenue that a levy may produce?

(b) Are there any other issues that you would like the Council to consider?

(a)

(b)

**Consultation Question 6 – DESIRABILITY OF THE LNL**

(a) Do you agree that it is desirable to raise the revenue through a levy to be used by the police and the Council?

(b) Have you any comments on the considerations expressed in section 4?

(c) Are there any other matters which you think that the Council should take into account in deciding whether it is desirable to introduce a levy?

(a)

(b)

(c)

**Consultation Question 7 – LATE NIGHT SUPPLY PERIOD**

(a) Do you agree that the Late Night Supply Period should be a period that begins at one minute passed midnight and ends at 6am? What are your reasons for this?

(b) If you think that the Late Night Supply Period should be for a different period, what should be the hours? What are your reasons for this?

(a)

(b)

**Consultation Question 8 – EXEMPTIONS – OVERNIGHT ACCOMMODATION**

(a) Do you agree that prescribed premises providing overnight accommodation should be exempt? Please explain your views.

(a)

**Consultation Question 9 – EXEMPTIONS – THEATRES**

(a) Do you agree that prescribed theatres should be exempt? Please explain your views.

(a)

**Consultation Question 10 – EXEMPTIONS – CINEMAS**

(a) Do you agree that prescribed cinemas should be exempt? Please explain your views.

(a)

**Consultation Question 11 – EXEMPTIONS – BINGO HALLS**

(a) Do you agree that prescribed bingo halls should be exempt? Please explain your views.

(a)

**Consultation Question 12 – EXEMPTIONS – COMMUNITY AMATEUR  
SPORTS  
CLUBS**

(a) Do you agree that prescribed Community Amateur Sports Clubs should be exempt? Please explain your views.

(a)

**Consultation Question 13 – EXEMPTIONS – COMMUNITY PREMISES**

(a) Do you agree that prescribed Community Premises should be exempt? Please explain your views.

(a)

**Consultation Question 14 – EXEMPTIONS – COUNTRY VILLAGE PUBS**

(a) Do you agree that prescribed Country Village Pubs should NOT be exempt? Please explain your views.

(a)

**Consultation Question 15 – EXEMPTIONS – BUSINESS IMPROVEMENT DISTRICTS**

(a) Do you agree that prescribed BID premises should NOT be exempt? Please explain your views.

(a)

**Consultation Question 16 – EXEMPTIONS – NEW YEAR'S EVE/DAY**

(a) Do you agree that premises that only operate on New Year's Day between midnight and 6am should be exempt? Please explain your views.

(a)

**Consultation Question 17 – REDUCTIONS – SMALL BUSINESS RATES RELIEF**

(a) Do you agree that prescribed premises that receive Small Business Rate Relief should NOT be entitled to a reduction in the levy? Please explain your views.

(a)

**Consultation Question 18 – REDUCTIONS – BUSINESS-LED BEST PRACTICE SCHEMES**

- (a) Do you agree that at this time members of Business-Led Best Practice Schemes should NOT be entitled to a reduction? Please explain your views.
- (b) Do you agree that such a scheme should be developed? If so, what should be the details? How can it be developed? How will it be led?
- (c) If such a scheme were to be developed, do you agree that members should be entitled to a discount?

(a)



(b)

(c)

**Consultation Question 19 – SPLIT LEVY BETWEEN POLICE & COUNCIL**

(a) Do you agree that the net revenue from the levy should be split 70:30 between the Hampshire Police and Crime Commissioner and the Council? Please explain your views.

(b) If you think that the Hampshire Police and Crime Commissioner should receive a larger (than 70%) proportion of the net revenue, please state what percentage you propose? [N.B. It is not possible to reduce the proportion to below 70%.] Please explain your views.

(a)

(b)

### **Consultation Question 20 – USE OF THE REVENUE**

(a) Do you have any comments on the range of activities which the Council would wish to develop using its share of the levy revenue? Is there anything else that you would like to see? Please explain your views.

(b) Would you support developing a single programme delivered in partnership between the Council and the police? What would you like it to cover? Please explain your views.

(a)

(b)

**Consultation Question 21 – IMPLEMENTATION DATE & TIMETABLE**

- (a) Do you agree that the Council should seek to implement the LNL on 1<sup>st</sup> February 2015? Please explain your views.
- (b) If you think that the LNL should be implemented on a different date, what date do you propose? Please explain your views.
- (c) Have you any other comments on the proposed timetable? Please explain your views.

(a)

(b)

(c)

**PLEASE INCLUDE YOUR PERSONAL DETAILS**

**MY DETAILS ARE:**

**MY FULL NAME:**

**MY ADDRESS:**

**MY TELEPHONE NUMBER:**

**MY EMAIL ADDRESS:**

**A Licence Holder**

**A Resident**

**A Representative of a Licence Holder**

**Likely to be subject\*/Not likely to be subject\* the LNL**

*(\*delete as appropriate)*

**A Licensing Solicitor/Professional  
An Interested Person  
Other**

**I AM:**

*(DELETE as appropriate) (Details of your interest)*

**HAVE YOU ANY OTHER COMMENTS THAT YOU WISH THE COUNCIL TO CONSIDER?**

**CONFIDENTIALITY**

The Council cannot guarantee that any information that you pass to us can be treated as confidential. The Council is subject to a number of regimes that affect disclosure, including the Local Government (Access to Information) Act 1985, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. In particular, your response is likely to be classed as a background paper to future committee reports and open to public inspection.