

## Appendix 2

### HOME OFFICE      LATE NIGHT LEVY – March 2011

#### Who will the late night levy affect?

In areas where the Licensing Authority decides to apply the levy, it will affect all premises (both in the on-trade and the off-trade) that are licensed to sell alcohol during the hours to which the levy applies. It will be up to the licensing authorities to decide the time at which the levy applies in their area, although it will be restricted to applying between the hours of midnight and 6am.

Secondary legislation will cover the categories of business to whom licensing authorities may be able to grant an exemption and or reduction.

#### What will be charged under the late night levy?

Premises are split into bands based upon their rateable value to determine how much they pay under the levy. This system applies to the existing licence fee and means that larger businesses will make greater contributions to the levy than smaller ones.

The late night levy will be set at a national level. While the final detail will be confirmed in secondary legislation, it is anticipated that the following charges will be issued under the late night levy:

Rateable A value bands		Annual Levy Charge
A	No rateable value to £4,300	£299
B	£4,301 to £33,000	£768
C	£33,001 to £87,000	£1,259
D	£87,001 to £125,000	£1,365
E	£125,001 And above	£1,493
Dx2	Multiplier applies to premises in category D that primarily or exclusively sell alcohol	£2,730
Ex3	Multiplier applies to premises in category E that primarily or exclusively sell alcohol	£4,440

## **Annual levy Charge**

A multiplier is added to premises in the Bands D and E that primarily or exclusively sell alcohol. This will ensure that larger pubs and clubs contribute more to the levy than restaurants and theatres which may serve alcohol, but are likely to have a smaller impact on late-night crime. Further, businesses selling alcohol benefit from doing so in a safe late night economy.

## **Why is the late night levy not targeted at individual premises?**

The costs caused by the night time economy are often not directly linked to particular businesses but instead occur as a result of the night-time economy as a whole – for example a fight may take place between groups of individuals who have each visited a variety of different premises over an evening.

The levy will allow licensing authorities to charge all premises that benefit from the existence of the night-time economy through selling alcohol beyond midnight to contribute towards covering the costs that it causes the community.

## **Will this not put more community pubs out of business?**

Many community pubs will not have licences to open beyond midnight - as the earliest the levy will only apply is from midnight, such premises will not face any costs related to the levy.

Furthermore, premises that do not want to pay the levy will be able to change their opening hours free of charge to avoid being required to do so. This will enable all premises to make an informed decision on whether to remain open and pay the levy, balancing the extra charge against the revenue they would be likely to raise from remaining open past midnight.