

## Alcohol and alcohol licensing policy

### Summary

This paper sets out recent developments in alcohol and alcohol licensing policy of interest to local authorities. These include:

- Alcohol duty and the pre-budget report
- The Policing and Crime Reduction bill
- Strengthening councils' role in tackling alcohol related harm to communities

### Recommendations

That members note the recent policy developments in these areas and provide a steer with regard to:

- Alcohol duty and the pre-budget report (as set out at **paragraph 9**)
- The Policing and Crime Reduction bill (as set out at **paragraph 14**)
- Strengthening councils' role in tackling alcohol related harm to communities (as set out at **paragraph 17**)

### Action

Subject to members' comments, officers to take forward suggested actions.

## **Alcohol and alcohol licensing policy**

### **Background**

1. Tackling and excessive consumption of alcohol is a key local priority and responds to directly to voters concerns and public health objectives alike. Half of all Local Area Agreements, for example, have prioritised reducing hospital admissions from alcohol related harm.
2. The Culture, Tourism and Sport board (CTS) is responsible for steering the LGA's policy on licensing, which is one of the key tools for tackling the irresponsible retailing and excessive consumption of alcohol. Following discussion at the CTS Board this paper will also be submitted for input to the Safer Communities and Community Well-being boards which have key interests in the public order and health consequences of alcohol policy. LACORS are also closely involved in the LGA Group's work on alcohol policy.
3. This paper sets out for discussion recent developments in alcohol and alcohol licensing policy of interest to local authorities. These include:
  - Alcohol duty and the pre-budget report
  - The Policing and Crime Reduction bill
  - Strengthening councils' role in tackling alcohol related harm to communities

## **Alcohol duty and the pre-budget report**

### **Background**

4. The chancellor's pre-budget report (PBR), delivered on 24 November, imposed an 8% increase in the excise duty charged on all alcohol sales, effective from 1 December 2008. It was widely reported that this rise, which is permanent, was designed to offset alcohol price reductions stemming from the 2.5% reduction in VAT. Subsequently, under pressure from the Scotch Whisky Association, the Treasury announced that duty on the sale of spirits would be increased only by 4%.
5. Alcohol excise duty is levied on the amount of alcohol in a hectolitre of product, thus their higher alcohol content meant that spirits would be subject to a more substantial overall increase per bottle. Trade bodies estimate that the excise duty increases outlined above will amount to a 3p rise on a pint of beer, a 13p rise on a bottle of wine and a 53p rise on a bottle of spirits. However, it should be noted that spirits sold in pub measures of 25ml or 35ml would see only a negligible increase in price.

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6. Under the present classification system, however, the 4% duty increase also applies to alcopops. With a lower alcohol content than spirits the British Beer and Pub association believe that the 2.5% VAT cut will outweigh the 4% duty increase, resulting in a price cut for alcopops. This will mean pubs – a large proportion of the income of which comes from beer and food sales – will see price increases, whilst supermarkets will effectively see a price cut on alcopops and a proportionately lower increase in the price of spirits.
7. This situation has raised concern amongst some councillors, because it exacerbates existing concerns – previously raised by the LGA – of an economic incentive to excessive consumption of cheap alcohol in the home, and to “pre-loading” by drinkers. Many pubs also play an important cultural and community role as both local hubs and employers, and councils have been keen to support them as venues for the safe, licenced consumption of alcohol.
8. The LGA has previously expressed concern about the willingness of the Treasury to use alcohol excise duty as a public policy instrument, in its *Unfinished Business* report of June 2008. This report noted:

*For many councils, tackling sales of excessively cheap drink is a major local priority in improving the quality of life for their citizens. We would therefore suggest that councils should be given the power to levy duty surcharges in their area in order to tackle localised problems with drinking. Those surcharges might be targeted, for example at drinks which are particularly attractive to teenagers, or are particularly high in alcohol for their price. (LGA, Unfinished Business, p.10)*

## **Recommendations**

9. Board members are asked to comment on the issue of alcohol duty increases in the pre-budget report, including any specific local outcomes resulting from it. Members are also asked to agree the following suggested actions:
  - Officers to explore further the impact of alcohol duty increases in the PBR on alcohol retail and consumption trends, following which;
  - The Chair to write to the Chancellor outlining council concerns about the unintended consequences of the changes in alcohol excise duty and their potential negative impact on public policy goals.

## **The Policing and Crime Reduction bill**

### **Background**

10. The Policing and Crime Reduction bill, published on 18 December 2008, introduces measures to combat the irresponsible retailing and excessive

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consumption of alcohol. These measures can be understood as falling into three distinct areas:

- **Mandatory conditions** upon the sale of alcohol. These will relate to “irresponsible” retailing only and have yet to be specified. At present it is intended that these conditions would apply to all licenced premises without exemptions. They would therefore cover not just pubs, but village halls, cinemas, theatres etc. Any conditions developed would have to relate to the existing four licensing objectives, which are:
  - (a) the prevention of crime and disorder;
  - (b) public safety;
  - (c) the prevention of public nuisance; and
  - (d) the protection of children from harm.Mandatory conditions could not support, for example, public health goals.
- **Local conditions** regarding irresponsible drinking. These would be imposed at the request of a responsible authority, and may be applied to more than one premise – for example a group of “problem” premises.
- **A code of practice** that would formalise the previous voluntary code. It is expected that the guidance accompanying the Licensing Act 2003 will be amended to require licencees to “have regard to” the code.

11. The LGA has welcomed the bill’s aim to tighten regulations on the sale of alcohol, where it is needed, and in particular the power for licensing authorities to impose local conditions on existing licenced premises or groups of premises, where they are of concern to local residents.
12. However we have expressed concern that mandatory conditions will impose blanket regulations across the board, which will not take account of local conditions. Mandatory conditions (without exemption) that apply to village halls, or sports and members clubs could impose a significant burden on them.
13. The LGA is also concerned about the compound impact of further licensing regulation on an already under-funded regime. We estimate that councils are already out of pocket by over £100m, and have lobbied government both to reimburse this money and to move to put the licensing regime on a genuine cost recovery basis.

## Recommendations

14. That the LGA continue to work with the Home Office to ensure there is a full consultation on the detail of mandatory conditions, the procedures involved in establishing the local conditions and the content of the proposed Code.

## Strengthening councils' role in tackling alcohol related harm to communities

### Background

15. Local authorities are central to tackling the harm caused to communities by irresponsible retailing and excessive consumption of alcohol. Empowering them to facilitate closer working through Local Strategic Partnerships and with the police and health authorities in particular, is the best way of tackling problems such as “pre-loading” and irresponsible drinks promotions, and of mitigating the impact of the wider binge drinking culture.
16. Set out below are proposals to strengthen councils' role in tackling alcohol related harm to communities through the use of licensing law. The proposals are:
  - To give licensing authorities **the power to instigate a review of a premises licence**. At present councils can only instigate a premises licence review through their Trading Standards and Environmental Health functions. The Police and local residents (directly, not through their councillor) can also request a review of problem licence. Councils are often the first place to hear of local concerns. They should have the power to instigate a licence review where concerns other than Trading Standards and Environmental Health infringements exist.
  - To give licensing authorities **the power to object to temporary events notices**: at present only the Police can object to the awarding of a temporary events notice (TEN). Licensing authorities and Environmental Health officers should be able to object where they believe an event would compromise public safety or create a public nuisance, such as that which accompanies widespread binge drinking.
  - To facilitate a sector-led mechanism for the better sharing of intelligence about **personal licence holders**. Some personal licence holder have convictions which are undisclosed, or by moving between local authority areas will use more than their annual allowance of TENS. These licence holders are less likely to uphold other restrictions of licensing law, which are there to protect local people. Better intelligence sharing is required to ensure the previous conduct of the applicant is known before a personal licence is granted.
  - To **sanction those premises that refuse to pay their annual fees** with the threat of closure. The current absence of such a sanction allows licencees to avoid annual fees in the knowledge that it is not economic for the licensing authority to pursue these debts. Unpaid annual fees make

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up a substantial part of the £100m cost to councils of implementing the Licensing Act. This power exists for Gambling licences.

- To **remove the burdens from the implementation of licensing law**: councils have shown they can use licensing law innovatively to tackle alcohol-related disturbances, but they could do more if fees were put on a cost recovery basis, rather than being centrally determined.

## Recommendations

17. Board members are asked to comment on the proposals contained here, including any likely local outcomes resulting from them. Members are also asked to agree the following suggested actions:
  - That the LGA consult further with licensing authorities and councillors as to the suitability and practicality of these proposals, following which;
  - Suitable proposals are to be pursued either as amendments to the Policing and Crime Reduction bill or via other appropriate legislative vehicles.

## Financial Implications

18. The financial implications of this report can be met from existing resources.

## Implications for Wales

19. The Policing and Crime Reduction Bill provisions apply to Wales. Specific issues of concern to Welsh Authorities will be raised as the bill proceeds through Parliament.

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