

STATES OF JERSEY



LICENSING (JERSEY) LAW 1974: REVIEW OF FEE STRUCTURE

Lodged au Greffe on 3rd September 2007
by the Deputy of St. Martin

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Economic Development –

- (a) to review the structure of the current liquor licence fees charged annually for each category of licence under the Licensing (Jersey) Law 1974, with a view to introducing a more equitable licensing structure;
- (b) to finalise the review and publish its findings no later than 1st August 2008 or before any requests are made for further increases in licensing fees.

DEPUTY OF ST. MARTIN

REPORT

At present, proprietors of licensed premises pay an annual fee to sell alcohol either for consumption on or off their premises. I had hoped to provide an accurate breakdown of the number of licensed premises and number of licences issued in 2006; unfortunately this has not been possible. However, from the figures available it appears that in 2006, between 746 and 976 liquor licences were issued to around 600 licensed premises. Because of an outdated licensing system, it is necessary for some establishments to pay for additional licences to operate within the Licensing (Jersey) Law 1974, of which there are 7 categories of licence.

The revenue received from liquor licensing fees in 2004 was £279,253, in 2005 was £255,079 and in 2006 was £272,386.

In addition to the above revenue, in 2006 another £15 million was paid to the Treasury from Impôt Duties on spirits, wine, beer and cider.

The current licence fees and the proposed fees for 2008 are shown on the following table –

	Fees – 2007	Proposed fees – 2008
1st Category (Taverner's)	£423 plus £1.05 multiplied by the maximum number of persons who may be accommodated for reward on the premises.	£434 plus £1.07 multiplied by the maximum number of persons who may be accommodated for reward on the premises.
2nd Category (Residential)	£1.05 multiplied by the number of approved residents with a minimum fee of £133.	£1.07 multiplied by the number of approved residents with a minimum fee of £136.
3rd Category (Restaurant)	£423	£434
4th Category (Comprehensive)	£1,056 plus a fee of £2.10 multiplied by the number of approved residents.	£1,082 plus a fee of £2.15 multiplied by the number of approved residents.
5th Category (Club)	£316	£324
6th Category (Off)	£111	£114
7th Category (Entertainment) Cinemas Places of Entertainment	£423 £1.05 multiplied by the number of persons mentioned in the permit for entertainment granted by the Bailiff, with a minimum of £423	£434 £1.07 multiplied by the number of persons mentioned in the permit for entertainment granted by the Bailiff, with a minimum of £434

As one can see from the above table, there are different licence fees, which are inconsistent and make no allowance for the size of the premises or the sales from those premises. In particular one can see that "Off" licence premises such as large supermarkets who sell large quantities of alcohol pay the same fee as very small retailers.

The inequality is even more apparent when one looks at small sports clubs who pay 3 times as much for their licences and small restaurants that pay over 4 times more. The same inequality argument applies in respect of small public houses and restaurants.

In 1995, as a member of the Tourism Committee, I chaired a Panel which carried out a review of the Licensing (Jersey) Law 1974. The Panel's Report was published in April that year.

The Review had been undertaken because of a number of requests for amendments to the Licensing Law. The Panel's main recommendation was that a new Law should be drafted on the lines of suggestions contained in the Panel's Report. It was also recommended that no further detailed amendments should be made to the existing Law.

Interestingly, the Panel was of the view that the annual renewal of licences and the collection of fees was a burdensome administrative responsibility of which the Panel could see little benefit. The Panel was also of the view that there should be a single licence for the sale of alcohol.

Twelve years on, whilst there is still talk of bringing forward a new Licensing Law, the anomalies in the current Law exist. I appreciate that at long last arrangements are in hand to draft a new Licensing Law, however I believe there is little prospect of a new Licensing Law being introduced in the near future.

The liquor licences are renewable every year: if the Department responsible for issuing the licences wishes an increase, it must seek States approval. It is customary for the relevant Department to seek an annual increase in line with suggestions from Treasury and Resources. The relevant Department, Economic Development, is again doing so this year via P.104/2007, whereby it is seeking an across-the-board increase of 2.5%.

In the past when various Presidents or Ministers have proposed increases in the licence fees, I have raised the issue of the inequality in the licensing structure and in particular that which exists in relation to the 6th Category licence. I have generally received acknowledgements that the current licensing structure is anomalous and should be reviewed.

During the debate last year when an increase in fees was sought, I again raised the matter and was advised by the Minister that he would be looking at the whole issue of licensing in a more general way and this is a holding position certainly for this year. As one can see, P.104/2007 is similar to previous propositions in that it seeks an across-the-board increase in fees but does nothing to address the inequality issue.

It would have been a simple matter for me to have lodged an amendment to P.104/2007 seeking to raise the 6th Category licence fee in line with the 1st, 3rd and 7th Categories, but I believe it would be unfair on the small businesses requiring 6th Category licences; also it would do nothing to address the current inequality in the other categories.

I am aware that an Alcohol and Licensing Community Action Group has been formed and it is looking at a number of licensing issues, including a review of price controls to reduce the difference between the on-licence and off-licence prices of alcoholic drinks. However, that Group is not addressing the liquor licensing issue.

The purpose of my proposition is to seek support to request the Minister for Economic Development to review the current licensing structure, and to report to the States before requesting any further increase in fees.

Whilst there may be some financial and manpower implications, it is worth noting that the 1995 review was undertaken by 2 States Members, plus 3 members of the public who gave freely of their time, and 2 Tourism Department Officers. If approval is given for a review, the Minister might consider carrying out the review using a similar format whereby the financial and manpower implications will be minimal.