 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Proposals to reduce burdens of licensing on those who sell limited amounts of alcohol as part of a wider service ("ancillary sellers") Licensing Act 2003	
<b>Lead Department/Agency</b>	Home Office	
<b>Stage</b>	Final	
<b>IA number</b>	Not Provided	
<b>Origin</b>	Domestic	
<b>Expected date of implementation</b>	October 2013 (SNR 6)	
<b>Date submitted to RPC</b>	25/03/2014	
<b>RPC Opinion date and reference</b>	08/05/2014	RPC12-HO-1502(4)
<b>Departmental Assessment</b>		
<b>One-in, Two-out status</b>	OUT	
<b>Estimate of the Equivalent Annual Net Cost to Business (EANCB)</b>	-£2.0 million	
<b>RPC Overall Assessment</b>	<b>GREEN</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. The Department has addressed the concerns raised by the Committee in its previous opinion of 19 March 2014.</p> <p>The IA now contains what appears to be a more reasonable estimate of the expected profits for ancillary sellers of alcohol as a result of the proposal. As a result, the RPC can validate the estimated equivalent net savings to business of £2 million on average each year, down from an initial estimate by the Department of £7.6 million each year.</p>		
<p><b>Background (extracts from IA)</b></p> <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p><i>"The current licensing regime is seen as burdensome for many local community groups (such as the Women's Institute or church groups) who want to sell alcohol at small-scale events throughout the year, at different premises, and who must, under the current regime, apply for a Temporary Events Notice (TEN) for each event at a cost of £21 per application (unless the premises they are using has a premises licence).</i></p> <p><i>In addition, the current premises licences regime is also seen as unnecessarily costly and burdensome for "ancillary sellers" of alcohol (e.g. bed &amp; breakfast providers) who would like to sell (or "give") minimal amounts of alcohol to their customers as part of a</i></p>		

wider business contract - a “complimentary” alcoholic drink in such contexts constitutes a sale in law.

*Government intervention is designed to resolve these problems for both groups. Its proposal for a new authorisation under the Licensing Act 2003 – the Community and Ancillary Notice (“CAN”) – would, subject to strict controls, allow such community groups and ancillary sellers of alcohol to sell small amounts of alcohol in “low risk” environments without incurring heavy bureaucratic and financial burdens of the current regime.”*

#### **What are the policy objectives and the intended effects?**

*“The Government is committed to freeing up responsible local communities and businesses by reducing administrative burdens and to giving more flexibility to local authorities to take licensing decisions that reflect local needs. The proposal for the new CAN authorisation is intended to lower the bureaucratic and cost burdens of licensing on “ancillary” sellers of alcohol and community groups, without undermining the statutory licensing objectives (preventing crime and disorder and public nuisance; protecting children from harm; public safety).”*

#### **Comments on the robustness of the OITO assessment**

The Department initially estimated the equivalent annual net cost to business to be -£7.6 million (an OUT). The Department states in its revised IA that the proposal is deregulatory with an estimated equivalent annual net cost to business of -£2.0 million. Based on the evidence provided, this assessment appears to provide a reasonable account of the likely impacts and is consistent with the Better Regulation Framework Manual (paragraph 1.9.11).

#### **Comments on the robustness of the Small & Micro Business Assessment (SaMBA)**

The proposals reduce the scope of regulation on business. A SaMBA, therefore, is not required.

#### **Quality of the analysis and evidence presented in the IA**

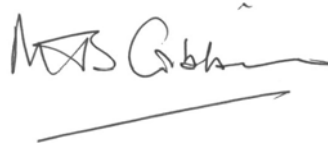
The Department is proposing to reduce administrative burdens to give local authorities more flexibility on licensing decisions that reflect local needs. The new Community and Ancillary Notice (CAN) authorisation is intended to lower the bureaucratic and cost burdens of licensing on “ancillary” sellers of alcohol and community groups, without undermining the statutory licensing objectives, namely preventing crime and disorder and public nuisance; protecting children from harm; and public safety.

The issues raised in the Committee’s previous opinion (19 March 2013) have been addressed. In particular, the IA now contains what appears to be a more reasonable estimate of the expected profits to ancillary sellers as a result of the

policy, as well as a fuller description of how these additional profits are expected to be realised. The IA also now includes an estimate of the number of businesses that are already providing alcohol without a licence (assumed to be between 0% and 10% of ancillary sellers, with 5% used as a central estimate) and has amended the EANCB accordingly.

Since the previous opinion, the policy has been changed, removing much of the uncertainty around the impacts. The Department has undertaken sensitivity analysis around the most uncertain assumptions. This demonstrates that the overall net benefit of the policy is not dependent on them.

**Signed**

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end.

**Michael Gibbons, Chairman**