

Report of	Meeting	Date
Director of People and Places (Introduced by the Executive Member for Places)	Executive Cabinet	17 January 2013

## **CONSULTATION ON DELIVERING THE GOVERNMENT'S POLICIES TO CUT ALCOHOL FUELLED CRIME AND ANTI-SOCIAL BEHAVIOUR**

### **PURPOSE OF REPORT**

- To agree the Council's response to the Government's consultation.

### **RECOMMENDATION(S)**

- That the suggested responses in paragraphs 15, 16, 17, 18, 24, 25, 26, 27, 31, 32, 33, 34, 41, 42 and 43 from the Council's response to the consultation.

### **EXECUTIVE SUMMARY OF REPORT**

- The Government, via the Home Office, have undertaken a consultation exercise to hear views on their proposals to cut alcohol fuelled crime and anti-social behaviour.
- The consultation covers the following areas:
  - A minimum unit price for alcohol.
  - A ban on multi-buy promotions in the off-trade.
  - Reviewing the mandatory licensing conditions
  - Health as a licensing objective for cumulative impact policies
  - Freeing up responsible businesses
- All measures in the consultation would require legislation. The consultation applies to England and Wales. The consultation runs for 10 weeks until 6 February 2013.
- The suggested responses to the different elements of the consultation are in paragraphs 15, 16, 17, 18, 24, 25, 26, 27, 31, 32, 33, 34, 41, 42 and 43

<b>Confidential report</b> Please bold as appropriate	Yes	No
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<b>Key Decision?</b> Please bold as appropriate	Yes	No
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## REASONS FOR RECOMMENDATION(S)

### (If the recommendations are accepted)

7. If the recommendations are approved, it will ensure the Council's views are considered as part of the consultation exercise.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

8. Not to respond to the consultation.

## CORPORATE PRIORITIES

9. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities	√	An ambitious council that does more to meet the needs of residents and the local area	

## BACKGROUND

10. The consultation puts forward proposals and questions on five key areas set out in the government's Alcohol Strategy, published on 23 March 2012:

- the price level and mechanisms for a minimum unit price for alcohol;
- introducing a ban on multi-buy promotions in the off-trade;
- reviewing the mandatory licensing conditions;
- introducing health as a licensing objective for cumulative impact; and
- reducing the burden of regulation on responsible business.

## A MINIMUM UNIT PRICE FOR ALCOHOL

11. The purpose of minimum unit pricing is to reduce excessive alcohol consumption, particularly by the most hazardous and harmful drinkers who tend to show a preference for the cheapest alcohol products. Unlike moderate drinkers, they are less likely to switch to cheaper drinks, if prices rise. Crucially, evidence enables researchers to estimate in a statistically robust way that harmful drinkers in particular reduce their consumption more as a result of a minimum unit price set at a proportionate level than moderate drinkers.
12. As a result the Government estimate that there will be a reduction in the associated crime and health harms, especially the numbers of hospital admissions, alcohol-related deaths and alcohol-related crimes. Minimum unit pricing is not intended to disproportionately affect responsible drinkers or particular social groups but to reduce the availability of alcohol sold at very low or heavily discounted prices.
13. The actual impact of minimum unit pricing will depend on the price per unit of alcohol. The Government wants to ensure that the chosen price level is targeted and proportionate, whilst achieving a significant reduction of harm. The Government is therefore consulting on the introduction of a recommended minimum unit price of 45p. The table below shows the best available estimated impacts of this level of minimum unit price. This includes an estimated reduction in consumption across all product types of 3.3%, a reduction in crime of 5,240 per year, a reduction in 24,600 alcohol-related hospital admissions and 714 fewer deaths per year after ten years.

### Impacts of a 45p minimum unit price

Total reduction in alcohol consumption	-3.3%
Reduction in number of crimes per year	5,240
Crime savings per year (including QALYs (related to crime))	£12.9m
Number of deaths saved per year (at full effect)	714
Number of hospital admissions saved per year (at full effect)	24,600
Direct health care cost savings per year (at full effect)	£82.0m
Health QALY savings per year (at full effect)	£319m
Increase in spending for moderate drinkers (per year)	£7
Increase in spending for hazardous drinkers (per year)	£49
Increase in spending for harmful drinkers (per year)	£118
Increase in revenue to business (in year 1)	£1,040m
Impact on the public purse (as a result of a loss in alcohol duty)	-£200m

14. As the above table demonstrates, there are other issues to consider alongside the benefits of minimum unit pricing. As the level of minimum unit price rises, it affects moderate drinkers' consumption more and so is less targeted. Further, the expected reduction in alcohol consumption following the introduction of a minimum unit price would also reduce the amount of alcohol duty received by the Government, with consequences for the public purse.

15. Consultation question 1:

Do you agree that this MUP level would achieve these aims?

**Chorley council welcomes measures that will improve health outcomes for local people, particularly measures that reduce health inequalities amongst residents. Given the evidence base, Chorley council are supportive of the concept of a minimum unit price for alcohol. However, the consultation is not clear on what the impact would be if the unit price was higher, or lower, than 45p per unit. Before commenting on a specific unit price, Chorley council would want to see an analysis of the forecast outcomes compared to different minimum unit prices.**

16. Consultation question 2:

Should other factors or evidence be considered when setting a minimum unit price for alcohol?

**Chorley council agrees that the scheme should be applied on a national basis, as opposed to it being in place in ad hoc areas. That said, the MVP will be influenced, and presumably the outcomes, by average income in different areas. Therefore, the MVP if set at the same rate nationally, would have a different impact in the North West than it would in the South East. The consultation needs to consider this fact.**

17. Consultation question 3:

How do you think the level of minimum unit price set by the Government should be adjusted over time?

**The minimum unit price should be automatically updated in line with inflation each year.**

18.

Consultation question 4:

The aim of minimum unit pricing is to reduce the consumption of harmful and hazardous drinkers, while minimising the impact on responsible drinkers. Do you think that there are any other people, organisations or groups that could be particularly affected by a minimum unit price for alcohol?

**No**

## A BAN ON MULTI-BUY PROMOTIONS IN THE OFF-TRADE

19. The Government is consulting on introducing a ban on multi-buy promotions in the off-trade as part of its wider strategy to reduce excessive alcohol consumption, and alongside the introduction of a minimum unit price. A ban on multi-buy promotions would therefore not apply to pubs, clubs, bars or restaurants.
20. The term multi-buy promotions refers to alcohol promotions that offer a discount for buying multiple items.
21. Multi-buy offers are popular with alcoholic-drink retailers. Research suggests that they increase sales and assist with retaining or increasing customer numbers. A report by the Institute of Alcohol Studies suggests that supermarket promotions, and discounts on alcohol, increase sales by 20-25% and that 83% of customers who purchase alcohol on promotion will return for a second purchase. However, the Government is concerned that these promotions contribute to the availability of irresponsibly priced alcohol, particularly through promotions which encourage large volumes of alcohol to be purchased.
22. The aim of a ban would be to stop promotions that encourage people to buy more than they otherwise would, making it cheaper (per item) to purchase more than one of a product than to purchase a single item. The proposed treatment of different types of promotions is set out in the table below.

Types of promotions that WOULD be banned	Types of promotions that would NOT be banned
This is where the price of a single produce in a multi-pack is sold for less than the price of buying that same product on its own. This will stop incentivising purchases of more products that people would otherwise buy.	A ban would not affect discounts which are not linked to the purchase of multiple bottles, or which are linked to the volume rather than the number of products. It would not stop retailers cutting the price of individual items to match multipack prices, or prevent them from having a minimum-buy rule.
Two for the price of one	Half price offers
Three for the price of two	'a third off' others
Buy one get one free	£x off any individual item
Buy six get 20% off	
24 cans of lager costing less than 24 times the cost of one can of lager in the shop.	Cutting the price of a single can of lager so that it is as cheap as the cans in the multipack.

A case of wine sold cheaper than the individual price at which the same bottles are sold in the shop

Three for £10 where each bottle costs more than £3.33

Different multipack prices or multi-buy multipack offers. For example, 10 bottles of alcopops being sold for less per bottle than a package of four bottles, or three packages of 10 bottles being sold for less than three times the price of one 10 bottle pack.

A case of wine can be priced at any level if the items are not available to buy individually.

Three for £10 as long as you can also buy each individual item in the multi-pack for £3.33.

Different prices for the same alcohol products sold in differed sized containers, where there is a per unit difference. For example, a box of wine can still be sold for less than the price of four bottles of the same wine.

23. A ban on multi-buy discounts would not include deals which are not linked to the purchase of multiple items. A ban would not stop retailers discounting individual items (such as 'was £10, now £6'), or prevent them from requiring their consumers to purchase a minimum quantity.

24. Consultation question 5:

Do you think there should be a ban on multi-buy promotions involving alcohol in the off-trade?

**Chorley Council believes that some control on multi buying promotions would be appropriate. However, it is unclear how this might be enforced and the definitions provided in the consultation document appear to provide several loopholes for retailers to offer discounted alcohol for sale and therefore encourage multiple promotions.**

25. Consultation question 6:

Are there any further offers which should be included in a ban on multi-buy promotions?

**See response to question 5 above. Chorley Council believes that there should be either a minimum unit price or free market economics should be allowed to prevail.**

26. Consultation question 7:

Should other factors or evidence be considered when considering a ban on multi-buy promotions?

**Chorley Council believes that there are many factors to be considered including:**

- **Impact on responsible drinkers**
- **Impact on small retailers and their ability to compete with larger multiple retailers**
- **The evidence that multipurpose purchasing has on health**

27. Consultation question 8:

The aim of a ban on multi-buy promotions is to stop promotions that encourage people to buy more than they otherwise would, helping people to be aware of how much they drink, and to tackle irresponsible alcohol sales. Do you think that there are any other groups that could be particularly affected by a ban on multi-buy promotions?

**See response to question 7 above. Chorley Council believes if the purpose is to make people aware than there are more appropriate methods to do so than restrictive retailing practices. For example:**

- **More appropriate labelling**
- **National public health awareness raising campaigns**
- **Use of brief intervention process**
- **Greater challenge by medical professionals when they are presented with persons with alcohol related issues**

## **REVIEWING THE MANDATORY LICENSING CONDITIONS**

28. In its response to the 'Rebalancing the Licensing Act' consultation in 2010, the Government committed to review the impact of the current mandatory licensing conditions to ensure they are sufficiently targeting problems such as irresponsible promotions in pubs and clubs. The Government has also committed to consult on whether these mandatory licensing conditions should, where relevant, apply to both the on- and off-trade. This consultation forms part of that review, and will contribute to the Government's understanding of how these mandatory conditions are perceived.
29. Under the 2003 Act, the Secretary of State can prescribe up to nine mandatory licensing conditions in regulations. These are sometimes called the Mandatory Code. In 2010, the "Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010" introduces four mandatory conditions that apply to all on-trade premises only and one mandatory condition which applies to both the on- and off-trade (this is the requirement to have an age verification policy, see below). A mandatory licensing condition may only be introduced by the Secretary of State if it is considered appropriate to do so for the promotion of the licensing objectives.
30. The five mandatory licensing conditions currently set out in regulations in relation to the supply of alcohol are:
- i. A ban on irresponsible promotions.
  - ii. A ban on dispensing alcohol by one person directly into the mouth of another.
  - iii. A requirement to provide free tap water on request to customers.
  - iv. A requirement to have an age verification policy to prevent the sale of alcohol to persons under 18 years of age.
  - v. A requirement to make available to customers small measures such as half pints of beer or cider or 125ml glasses of wine.

31.

Consultation question 9:

Do you think each of the mandatory licensing conditions is effective in promoting the licensing objectives (crime prevent / public safety / public nuisance / prevent of harm to children

	Prevention of crime and disorder	Public safety	Prevention of public nuisance	Protection of harm from children
A. Irresponsible promotions (see condition 1 above)	√	√	√	√
B. Dispensing alcohol directly into the mouth (see condition ii above)	√	√	√	√
C. Mandatory provision of free tap water (see condition iii above)	√	√	√	√
D. Age verification policy (see condition iv above)	√	√	√	√
E. Mandatory provision of small measures (see condition v above)	√	√	√	√

32.

Consultation question 10:

Do you think that the mandatory licensing conditions do enough to target irresponsible promotions in pubs and clubs?

**Chorley Council believes that they have had a positive impact to some extent and in particular with regard to obvious examples of irresponsible drinks promotions. However, there is still some ambiguity by the trade and responsible authorities as to whether other less obvious promotions qualify.**

33.

Consultation question 11:

Are there other issues related to the licensing objectives (prevention of crime and disorder / public safety / prevention of public nuisance / protection of children from harm) which could be tackled through a mandatory licensing condition?

**No**

34.

Consultation question 12:

Do you think the current approach, with five mandatory licensing conditions applying to the on-trade and only one of those to the off-trade is appropriate?

**Chorley Council believes in addition to the age verification condition which applies to the off-trade, the irresponsible drinks promotions should be applied and appropriate guidance issued to clearly define what would qualify.**

## HEALTH AS A LICENSING OBJECTIVE FOR CUMULATIVE IMPACT POLICIES

35. The Government want to ensure that licensing authorities are able to take alcohol-related health harms into consideration when making decisions about cumulative impact policies (CIPs) which can be used to manage problems linked to the density of premises in specific areas. They consider that a new health-related objective for alcohol licensing related specifically to cumulative impact is the best way to achieve this.
36. Evidence shows that there is a relationship between the increased density of premises and alcohol consumption and also between density and harm. The evidence suggests that limiting the density of premises can be an effective tool in reducing harm. At the moment local areas can only take data linked to existing licensing objectives (that is usually crime and disorder, and public safety) into account when making decisions about cumulative impact and so cannot fully consider the full range of alcohol-related harms in their area (such as data on liver disease or alcohol-related deaths).
37. Cumulative impact can be considered by licensing authorities when developing their statement of licensing policy. A CIP can be introduced and included in this policy on the basis of any one of more of the four existing licensing objectives when problems are linked to the impact of a significant number of licensed premises concentrated in a specific area.
38. A CIP introduces a rebuttable presumption that all new licence applications and variations in that area will normally be refused if the licensing authority receives a relevant representation stating that the application will add to the cumulative impact. However each application must still be considered on its own merits and the licensing authority may still grant the application if it is satisfied that the application will not contribute to the cumulative impact.
39. The Government are proposing that licensing authorities will be able to take evidence of alcohol-related health harm into account in deciding whether to introduce a CIP and the extent of that CIP. This would be a discretionary power and not an obligation. We expect that those areas with the highest levels of alcohol-related health harm, or fast rising levels of harm from alcohol, will be most likely to use this power. It will allow local health bodies to fully contribute to local decision making and mean licensing authorities can restrict the number of licensed premises in the local area on the basis of robust local evidence.
40. CIPs are already being used successfully by many licensing authorities to promote the existing licensing objectives. Unlike evidence currently used to support the introduction of CIPs, such as data on crime and disorder incidents, health evidence is population based (for example linked to a broader area rather than individual streets), and consideration needs to be given to how this could be incorporated within the CIP process. We want to learn from the experiences of interested parties and explore how health information could best be used in developing such policies to enable local health harms to be reduced. We will be seeking, gathering and using additional input from licensing authorities, those with



experience of health data, and other practitioners on the technical details of this proposal through individual meetings and technical consultation groups.

41. Consultation question 13:

What sources of evidence on alcohol-related health harm could be used to support the introduction of a cumulative impact policy (CIP) if it were possible for a CIP to include consideration of health?

**Chorley Council believes that information contained within the following should be used:**

- **Joint Strategic Needs Assessment**
- **Hospital admissions data**
- **Police alcohol related crime data / intelligence**
- **Reliable intelligence / data provided by local health professionals**

42. Consultation question 14:

Do you think any aspects of the current cumulative impact policy process would need to be amended to allow consideration of data on alcohol-related health harms?

**Chorley Council would want to see clear guidance on what elements of the data can be used.**

43. Consultation question 15:

What impact do you think allowing consideration of data on alcohol-related health harms when introducing a cumulative impact policy would have if it were used in your area?

**Chorley Council believes there would be a limited impact within the Chorley area. However, it would widen the debate and consideration of licensing applications to include the fundamental issue of health as a licensing objective.**

44. The further consultation questions related to enforcement and administration of the licensing regime and will be more appropriately addressed in the Lancashire Licensing Officers group response to the consultation.

**IMPLICATIONS OF REPORT**

45. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal	√	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

## COMMENTS OF THE STATUTORY FINANCE OFFICER

46. There are no financial implications arising from responding to the consultation.
47. In the event of any of the proposals being enacted, if there are any financial implications for the Council they will be reported in due course.

## COMMENTS OF THE MONITORING OFFICER

48. There are no specific legal issues arising from the report.

JAMIE CARSON  
DIRECTOR OF PEOPLE AND PLACES

Background Papers
The Home Office's full consultation document can be viewed at <a href="http://www.homeoffice.gov.uk/publications/about-us/consultations/alcohol-consultation/alcohol-consultation-document?view=Binary">http://www.homeoffice.gov.uk/publications/about-us/consultations/alcohol-consultation/alcohol-consultation-document?view=Binary</a>

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