

**SOUTH AYRSHIRE COUNCIL**

**REPORT BY EXECUTIVE DIRECTOR FOR CORPORATE SERVICES TO THE  
LICENSING BOARD OF 3<sup>rd</sup> MARCH 2011**

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**SUBJECT: CONSULTATION ON SOCIAL RESPONSIBILITY LEVY**

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**1. Purpose.**

To advise members of the current consultation on the Social Responsibility Levy under the Alcohol Act 2010

**2. Recommendation.**

**To request the Clerk to respond to the consultation with the Board's comments.**

**3 Background.**

The Alcohol etc. (Scotland) Act 2010 received the Royal Assent on 15<sup>th</sup> December 2010. The Act proposes to introduce a social responsibility levy although the date for implementation of this section of the Act has yet to be determined. The purpose of the levy is to meet or contribute to expenditure incurred or to be incurred by any local authority in furtherance of the licensing objectives and which the authority considers necessary or desirable with a view to remedying or mitigating any adverse impact on those objectives attributable (directly or indirectly) to the operation of the businesses of relevant licence-holders in the authority's area. The Scottish Government are currently consulting on the regulations regarding the levy and the Board is invited to respond to the consultation by 31<sup>st</sup> March 2011

**4 Consideration**

The consultation document is attached as [Appendix 1](#).

Officers would offer the following comments in relation to the questions asked in the consultation document, which the Board may wish to adopt or revise and submit to the Government in response to the consultation.

**How should any levy for licence holders of a premises licence be determined?:-**

- Based on rateable value as per the current licensing fee arrangements. On the face of it, this would be the easiest method as the rateable values are already on file and any levy could be easily calculated. However, in our area, by way of example, Tesco's superstore in Ayr and Turnberry Hotel both pay a fee based on the highest rateable value category. Board members may consider that the likely impact on the licensing objectives arising from the consumption of alcohol bought at Tesco and that bought at Turnberry are insufficiently similar to justify the same social responsibility levy for each

- Based on alcohol turnover? By volume or price? Recent Statistics produced by the NHS show that the volume of pure alcohol sold in the off sales market in 2009 was more than double the volume sold in the on sales market. (NHS Alcohol Statistics Scotland) as shown in Appendix 1 Research by the Scottish Grocers federation in 2006 as shown in Appendix 2 demonstrated that 6 Supermarkets controlled 83.3% of the off sales market Therefore it would be inequitable if the supermarkets which were controlling 55% of the total market were paying the same levy as other premises. It would be equitable if the Supermarkets paid 55% of the total levy with the remainder of premises licences paying a share of the levy in proportion to the volume of pure alcohol sold by them. However it must be recognised that there will be increased administrative costs in collating information for use in the calculation of the levy payable by individual properties.
- Different rates for on and off trade? There is a view that drinking in a regulated environment is better than an unregulated environment (Strathclyde Police's Chief Constable has said that he would prefer all drinking to be done in licensed venues). Over the festive period the Police were in general pleased with the conduct in on sales premises but the vast majority of domestic incidents which they attended were alcohol related. Likewise the Chief Fire & Rescue Officer has publically stated that alcohol played a part in all of the fatal fires over the festive period. On that basis, there is a compelling argument that off sales premises should perhaps pay a higher levy. There is also plenty of anecdotal evidence that people drinking in on sales premises have already consumed alcohol at home before coming out and that all incidents in on sales premises are not necessarily related to the volume of alcohol consumed there.

**How should any levy imposed on holders of the following licences be determined?**

- Street Traders Licences - No comment.
- Public Entertainment Licences –No comment

**At what level should any levy be set at?**

- No guidance has been given as to the level of funds to be raised. Plainly all policing costs and NHS costs cannot be attributed to alcohol. There is no guidance given as to where the income generated is to be spent. There should be liaison between the Scottish Government and the Community Safety Partnership to establish a base line for the levy. Financially many businesses are currently struggling which is the reason the levy is not to be introduced immediately. The whole of Scotland has alcohol problems and therefore it may be more equitable for the Government to set a maximum level for the proposed levy. It would be virtually impossible to tie policing /NHS costs to one individual premises or area.

**Should the levy be decided in the preceding year?**

- Businesses would probably appreciate being able to plan ahead and Board's should be obliged to give justification for the level imposed. This will almost certainly mean that they are constantly dealing with out of date statistics. Benchmarks may have to be set to measure improvements /worsening of police /NHS data

**How will good practice be determined?**

No comment

**Who will determine good practice?**

No comment.

**What level of reduction of levy should be applied for good practice?**

It is suggested none- rather premises unable to demonstrate good practice should be reviewed

**Appeals**

There will be cost implications. If the costs for an appeal process are factored in, then the income generated is dissipated. However if there is not a standard levy based on an easily quantifiable process such as rateable value, then it would probably be challengeable not to have an appeal process.

**4 Resource Implications.**

None at this stage although ultimately the level of any levy set and the administrative costs of implementing/collecting this will require to be balanced with a potential resourcing issue for the Council

**Background Papers**

Alcohol etc. (Scotland) Act 2010

<http://www.legislation.gov.uk/asp/2010/18/contents/enacted>

NHS Alcohol Statistics

[http://www.alcoholinformation.isdscotland.org/alcohol\\_misuse/files/alcohol\\_stats\\_bulletin\\_2011.pdf](http://www.alcoholinformation.isdscotland.org/alcohol_misuse/files/alcohol_stats_bulletin_2011.pdf)

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**Date.** 1<sup>st</sup> March 2011