

Licensing Act 2003

CCPR Evidence to the Independent Licensing Fees Review Panel

March 2006

1. Introduction

The CCPR is the umbrella association for over 270 national sport and recreation organisations in the UK. CCPR members account for 151,000 sports clubs providing healthy physical activity opportunities for some 13 million participants.

The CCPR seeks a fairer licensing fee structure that recognises the unique role that sports clubs serve in the community and the contribution they make to a number of government objectives. The CCPR believes that Government is capable of devising a licensing fee scheme that recognises the essential differences between not-for-profit sport and recreation clubs and commercial drinking venues, and accommodates this difference in fee scales.

The CCPR's most recent survey demonstrates that sports clubs feel they are facing a financial and administrative burden which is disproportionate to any risk that they pose to the licensing authority. To remedy this CCPR proposes that the licensing fee structure should be linked to the Community Amateur Sports Club (CASC) scheme as proposed in its submission dated 25 August 2005.

2. CCPR Evidence to Independent Licensing Fees Review Panel

In **July 2005** the CCPR was formally asked by the Independent Licensing Fees Review Panel (ILFRP) to provide evidence of the impact that the new licensing scheme had on voluntary sport in England. The CCPR produced a questionnaire and conducted a survey of CCPR member affiliated clubs, evidence that was submitted both as written and oral evidence on **25 August 2005**.

On **1 March** 2006 the CCPR was asked again to provide evidence on the services provided to sports clubs by local Licensing Authorities (LA), and evidence of any change in the administrative burden imposed on club officials as a result of the new scheme. To gather this evidence the CCPR updated the 2005 CCPR questionnaire to include questions relating to the information required by the ILFRP, and again distributed this to a selection of National Governing Bodies (NGBs) of sport that were represented in the top ten sports in the Community Amateur Sports Clubs Scheme (CASCs). A copy of the updated questionnaire can be found at the end of this report.

Due to the short timescale of this survey a number of NGBs were unable to provide information before their **March 20** deadline. It is hoped that these NGBs will be able to provide further information to be presented to the ILFRP prior to the release of its final report.

In addition to the original questions relating to the cost of converting to the new licensing scheme, the updated questionnaire asked clubs:

9a: How would you describe your experience in dealing with the Licensing Authority?

10a: Has the administrative burden increased greatly (e.g. are people no longer willing to do the necessary work to get a licence, run a bar)?

11: Has your club changed opening hours as a result of the new licence?

Clubs were also given the opportunity to submit anecdotal evidence or expand on their answers to the above questions in the space provided.

3. Quantitative Results

70 sports clubs submitted completed questionnaires before the March 20 deadline. Most of these were affiliated to the Royal Yachting Association but included responses from across England.

When asked “How would you describe your experience in dealing with the Licensing Authority?”, the majority of clubs rated the LA as ‘Good’ (**67 percent**). However a further **28 percent** felt “indifferent” about their dealings with the LA whilst **6 percent** claimed that they had negative dealings with their LA.

When asked “Has the administrative burden increased greatly?”, nearly a third (**30 percent**) of clubs answered “Yes” whilst **70 percent** answering “No”.

With regard to opening hours **28 percent** of clubs had altered these as a result of the new regime, whilst **72 percent** had not.

Table 1: Results of Section 3 of the CCPR Questionnaire

Question	9a			10a		11	
	Good	Bad	Indifferent	Yes	No	Yes	No
Clubs	46	4	19	20	46	18	47
Percentage	67%	6%	28%	30%	70%	28%	72%

Each of the three questions focussed on a slightly different aspect of the implementation of the Licensing Act 2003 – and for each question roughly one third of clubs had a less than positive experience. Whilst some of these experiences may be due to ‘teething problems’ in implementing new legislation, some, not least those relating to cost, remain embedded in the system.

Consistent with the CCPRs first submission to the ILFRP, further results have shown that a significantly large portion of volunteer sports clubs fall outside the lowest fee band.

Table 2 Results (Section 2):

	Fee Band				
	A	B	C	D	E
Total Clubs	271	850	1016	203	90
Percentage	11.2	35	41.8	8.4	3.7

The qualitative information below illustrates the difficulties faced by National Governing Bodies and sports clubs for whom the sale of alcohol is an incidental activity, rather than their core business.

4. Qualitative Results

The qualitative evidence gathered by this survey highlights the difficulties experienced by sports clubs as a result of the Licensing Act. The major issue regarding the Licensing Act 2003 for voluntary sports clubs is the administrative burden and the cost of the scheme. Sports clubs feel that they are subsidising the businesses whose primary purpose was the sale of licensable activities which were responsible for the majority, if not all of the social and economic costs of antisocial behaviour. One club reported that the cost of converting to the new scheme represented approximately 14 percent of the bars annual turnover.

The following selection of written responses to the CCPR survey highlight some of the compliments and complaints directed at both local authorities and the new licensing scheme, as well as some of the unique issues that impact sports clubs.

Positive Feedback

‘Once the Council got its act together, the help and advice from the Licensing Office desk officer responsible for our area was (unexpectedly) extremely good’.

‘The council’s department was helpful and apologised that the paperwork and fee was out of step with our simple institution.’

Sport Specific Issues

‘Race days and times are dependent on the tides, which of course vary from year to year. As we could not stipulate these dates, we were not able to apply to open for our mid-week evening races and as our current licence only allows Friday, Saturday and Sunday opening between April and October. The answer from the Council is to use the T.E.N. system. But as these cost £21 a time a four race series would cost the Club £84 and when you consider only about 15-20 members (out of a total membership of c.105) would be present at each event it is obvious that this is not cost effective. As a result we shall not be opening the Club on these evenings.’

‘Although our Club experienced no hiccups dealing with the local authority, application was more onerous and costly than previous applications/renewals through the Magistrates’ Court, with a higher degree of red tape and administration. As a small non-profit making private members’ sports club, (our) Club feels the costly and extensive administration process is unjustified in a situation such as ours. The Club has passed the necessary Qualifying Procedure and as such is self-regulating and has minimal, if any, cost impact on outside agencies e.g. Police, Local Authority.’

‘Current scheme involved complete lack of satisfactory guidance from our local authority, failure to provide application forms on time, poor information on fees, and failure to respond to e-mail queries on procedure. The authority appeared not to appreciate the type of organisation with which they were dealing –i.e. a private sports club with a family oriented membership, where the bar is a social adjunct of the club, as opposed to Commercial licensed premises where the bar is the raison d’etre of the business. Guidance from our governing body (Royal Yachting Association) was invaluable in unravelling the mysteries of the new system.’

‘The new scheme required a considerable amount of time and expense to complete and the generation of various documents all of which had to be copied 8 times and posted to the different regulatory bodies some of which were in the same building! The whole exercise was over bureaucratic even to specifying the colour of the paper for the notice for display outside the Club! We still require clarification that visiting yachtsmen

can use the premises and that the 'Little Ship' rule is still valid. There is also a fee of £10.50 each time a revised set of Club rules are sent to the Licensing Office.'

'Complex application form, which probably took a long time to fill in. Complex process which probably took about 100 hours of my time, which as a volunteer is free but would have cost £2000 at least if professionals had been involved. New licence constrains us more in the use of the club by non-members. It is our clubhouse, which we should be able to hire out at our discretion; we cannot now as 'Club Members' and bona fide guests only licence it for use'.

'The application for the licence has been much more burdensome than previously, due to difficulty in extracting information as referred to above. Given that the annual cost of £180 represents approximately 14% of a typical year's bar profit, we consider that the financial cost is disproportionate, and must cause many clubs in a similar position to question whether operating a bar is worthwhile.'

'The admin procedure has increased significantly to complete this process. In our case it has been overseen by the club treasurer, who is retired, and the bar manager, who is a postman and therefore free to attend meetings with the Council after 2pm.'

'Despite an absolutely clean operating record we had to convince both police and a local councillor that we simply want a bar for members and guests, and do not wish to operate a drinking club! To achieve this we had to use the services of a solicitor and a barrister, hence the high cost of application.'

'The amount of work in submitting the application was significantly increased and appeared overly bureaucratic in relation to the operation which we run with a turnover of less than £15,000 p.a.. If the club had needed to employ professional help with drawings and paperwork for the application it would have been hopelessly uneconomic.'

'We had to employ a firm of solicitors as it was beyond our expertise.'

Administrative burden of licence application added about 100 hours to my workload at least. Undoubtedly this will be an annual addition. Our bar committee are quite concerned about the added responsibilities they have, e.g. children, under age drinking, fire marshalling, in fact policing all elements of the licence. We will be really struggling to get volunteer bar staff; the alternative is paid staff, which will increase our costs.

'Our takings are not enough to justify application'

'The big difference is the cost; now £180 pa when it used to be £15 for 5 years!! The fee should NOT be based upon rateable value. It should take into account turnover or profit.'

'The mechanism used to calculate the proposed fees is fundamentally unjust. Fees are to be based on a premise's Rateable Value, which is calculated for the purposes of non-domestic rates. This unfairly penalises sports clubs because it means they are categorised in the same way as commercial premises for the purposes of the fees. Whereas large commercial organisations will be able to offset fees against their sizeable profits, sports clubs will lose vital income that helps keep their organisations alive. Furthermore, the area used by a sports club for liquor purposes is very small in proportion to the area on which the Rateable Value is assessed.'

'We feel that we are being penalised for the big clubs and pubs in the town centres that sell excessive amounts of alcohol into the early hours of the morning. People leaving

these establishments in drunken states go on to cause trouble for the police. It should be these establishments that should bear the brunt of the police cost and not the small private clubs like ours who have never in its 49 years history had any trouble with drunken behaviour or problems with the police.'

'The forms were far from simple to complete as they were constructed with Pubs and Night Clubs a priority making it difficult for an amateur sports club secretary to understand what was required.'

Generic Negative Feedback

'I found the district council did their best to inform me on what we needed to do but were themselves frustrated by poor central governmental input. I discovered the LA had employed a solicitor for an extended period to advise them but I felt their understanding of the Act was not particularly sophisticated.'

'LA personnel were helpful and courteous, but nonetheless we resent paying £190 for an annual licence, which significantly reduces any profit that we might make on our limited bar sales'

'A lot of work was required to complete the licence, which was very expensive with the cost of advertising and took a long time to complete the paperwork.'

'Previous scheme was well known and not nearly as complicated, for the amount of paperwork required, than the requirements for the new licensing act. Difference in costs – old system £16 for 10 years – new (for 2005 anyway) £180 per year. Difficult to absorb for clubs with a small turnover.'

'The licensing authority was helpful but there was a lot of paperwork and new plans of the clubhouse had to be drawn up. It is all costing more money just so we can continue as we did before, without the cost or the paperwork. The whole process achieves nothing.'

5. Questionnaire



One voice for sport and recreation

Licensing Act 2003 Survey

The impact of the Licensing Act 2003 on your club

The CCPR is campaigning to reduce the cost and impact of the new Licensing Act on sport and recreation clubs. Our current focus is on gathering evidence of the impact the new licence scheme has on sport and recreation to be used in our ongoing campaign and to be presented to the Independent Fees Review Panel.

In September 2005 the CCPR presented initial evidence to the Independent Fees Review Panel, which is charged with reviewing the licensing fee structure. The licensing fee review will continue over the coming months and CCPR has been assured that further evidence will be accepted by the panel during the review process. In order to strengthen its case the CCPR would be grateful, therefore, if you would complete this short questionnaire.

The CCPR's involvement with the Independent Fees Review Panel represents a valuable opportunity to successfully achieve a fairer fee structure for sports clubs. Your clubs cooperation in gathering the required information will add further weight to our campaign and increase our chance of success.

The questionnaire can be completed electronically by clicking the grey areas and then emailed to CCPR at BNicholas@ccpr.org.uk.

Alternatively you can print the following pages and complete the questionnaire by hand and post or fax the completed document to:

Ben Nicholas
Policy Officer
CCPR
Francis House
Francis Street
London SW1P 1DE

Phone: 020 7854 8522
Fax: 020 7854 8501

Please return your completed questionnaire by **C.O.B. 20 MARCH 2006**

I thank you in advance for your assistance. Your help will be greatly appreciated.

Section One – Club Details

1	Name of Club	
2	National Governing Body	
3	Contact person	
4	Club Postal Address	Street
		Village/Town
		County
		Postcode
5	Contact details	Phone
		Email

Section Two – Licences (Place an “x” where appropriate)

5 Does your club operate a bar? Yes No

If the answer to question 5 is “No” you do not need to complete questions 6,7 and 8

6 Has your club converted to the new licensing scheme? Yes No

If the answer to question 6 is “No”, please go to question 8

7a What was the cost of your club’s licence?
(Cost of the Application Fee and Renewal Fee)

7b What were the additional costs of converting to the new licensing scheme? *(eg. Newspaper ad, HR time, any other costs)*

This question is very important for the CCPR campaign

8 What fee band does your club fall in the new licensing scheme?

<input type="checkbox"/>	A	<input type="checkbox"/>	D
<input type="checkbox"/>	B	<input type="checkbox"/>	E
<input type="checkbox"/>	C		

Section Three – Impact on Club

9a How would you describe your experience in dealing with the licensing authority? Good Bad
 Indifferent

9b Explain (How is this different to the previous scheme?)

10a Has the administrative burden increased greatly (e.g. are people no longer willing to do the necessary work to get a licence, run a bar)? Yes No

10b Explain

11 Has your club changed opening hours as a result of the new licence? Yes No

Thank you for participating in this survey.

If you have any further comments you would like to make please feel free to include them on a separate page.