

Title: Extension of licensing hours for the 2014 FIFA World Cup IA No: Lead department or agency: Home Office Other departments or agencies:	Impact Assessment (IA)		
	Date: 27/03/2014		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries:			
Summary: Intervention and Options			RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
£n/k	£1.10m	N/A	No	NA

What is the problem under consideration? Why is government intervention necessary?

A relaxation of licensing hours to mark the World Cup will mean that licensed premises that wish to sell alcohol during England matches with a late kick off, but whose licences do not enable them to do so, would not need to apply to extend their hours with a Temporary Event Notice (TEN). The rationale for intervention is that the benefits to businesses and consumers from increased sale and consumption of alcohol during the World Cup are expected to be greater than at other times, and the Government may therefore wish to intervene to make an exception to regular licensing to allow these benefits to be fully realised, and to mark the World Cup as an occasion of national significance.

What are the policy objectives and the intended effects?

The policy objective is to enable businesses fully to reap the benefits of increased alcohol trade during the World Cup by removing the costs that the TEN regime would impose. The intended effect is to provide a substantial saving to businesses by removing these costs.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: to make no changes (do nothing).

Option 2: to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three hours from kick off.

Option 3: is to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three and a half hours from kick off.

Option 4: is to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for four hours from kick off.

The preferred option is Option 4, as this presents the maximum benefits to business and may pose a smaller risk of disorder and public nuisance as a result of more gradual dispersion from premises.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister:

Norman Baker

Date: 31st March 2014

Summary: Analysis & Evidence

Policy Option 2

Description: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three hours from kick off.

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/K	High: N/K	Best Estimate: N/K

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	1	Optional	Optional
High	Optional		Optional	Optional
Best Estimate				

Description and scale of key monetised costs by 'main affected groups'
We have not been able to monetise any costs from this option.

Other key non-monetised costs by 'main affected groups'
Businesses whose TENs would otherwise have been withdrawn, modified or subject to a counter notice will be able to open late if licensing hours are relaxed. This could impose costs through the activities undermining the licensing objectives (the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm). There may also be costs borne by police forces that need to roster additional officers to mitigate these risks.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	1	0.85	0.85
High	Optional		1.27	1.27
Best Estimate			1.04	1.04

Description and scale of key monetised benefits by 'main affected groups'
Businesses that would otherwise have opened later using TENs will receive a benefit of £36 from avoiding the need to use each TEN (including the cost of the TEN fee itself, the cost of the administration to complete the TEN and the benefit from effectively extending the annual TEN quota). We estimate that this will result in an expected £0.85m-£1.27m benefit to businesses, with a best estimate of £1.04m.

Other key non-monetised benefits by 'main affected groups'
There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to process.

Key assumptions/sensitivities/risks	Discount rate (%)
There is a risk of increased crime, disorder and public nuisance. We have assumed that the number of beneficiaries is equal to the number of premises wishing to provide licensable activities that would have otherwise had to use TENs, and that will not be using TENs anyway for other matches. There is some uncertainty around these estimates. We have assumed that there will be no change in the total number of consumers watching these matches in licensed premises, even if more premises screen the matches.	

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	NA

Summary: Analysis & Evidence

Policy Option 3

Description: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three and a half hours from kick off.

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/K	High: N/K	Best Estimate: N/K
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	Optional	1	Optional	Optional	
High	Optional		Optional	Optional	
Best Estimate					
Description and scale of key monetised costs by ‘main affected groups’ We have not been able to monetise any costs from this option.					
Other key non-monetised costs by ‘main affected groups’ Businesses whose TENs would otherwise have been withdrawn, modified or subject to a counter notice will be able to open late if licensing hours are relaxed. This could impose costs through the activities undermining the licensing objectives (the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm). There may also be costs borne by police forces that need to roster additional officers to mitigate these risks.					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	Optional	1	0.86	0.86	
High	Optional		1.31	1.31	
Best Estimate			1.07	1.07	
Description and scale of key monetised benefits by ‘main affected groups’ Businesses which would otherwise have opened later using TENs will receive a benefit of £36 from avoiding the need to use a TEN (including the cost of the TEN fee itself, the cost of the administration to complete the TEN and the benefit from effectively extending the annual TEN quota). We estimate that this will result in an expected £0.86m-£1.31m benefit to businesses, with a best estimate of £1.07m.					
Other key non-monetised benefits by ‘main affected groups’ There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to process.					
Key assumptions/sensitivities/risks				Discount rate (%)	
There is a risk of increased crime, disorder and public nuisance. We have assumed that the number of beneficiaries is equal to the number of premises wishing to provide licensable activities that would have otherwise had to use TENs, and that will not be using TENs anyway for other matches. There is some uncertainty around these estimates. We have assumed that there will be no change in the total number of consumers watching these matches in licensed premises, even if more premises screen the matches.					

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	NA

Summary: Analysis & Evidence

Policy Option 4

Description: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for four hours from kick off.

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/K	High: N/K	Best Estimate: N/K

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	1	N/K	N/K
High	0		N/K	N/K
Best Estimate	0		N/K	N/K

Description and scale of key monetised costs by 'main affected groups'

We have not been able to monetise any costs from this option.

Other key non-monetised costs by 'main affected groups'

Businesses whose TENs would otherwise have been withdrawn, modified or subject to a counter notice will be able to open late if licensing hours are relaxed. This could impose costs through the activities undermining the licensing objectives (the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm). There may also be costs borne by police forces that need to roster additional officers to mitigate these risks.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	1	0.88	0.88
High	0		1.35	1.35
Best Estimate	0		1.10	1.10

Description and scale of key monetised benefits by 'main affected groups'

Businesses which would otherwise have opened later using TENs will receive a benefit of £36 from avoiding the need to use a TEN (including the cost of the TEN fee itself, the cost of the administration to complete the TEN and the benefit from effectively extending the annual TEN quota). We estimate that this will result in an expected £0.88m-£1.35m benefit to businesses, with a best estimate of £1.10m.

Other key non-monetised benefits by 'main affected groups'

There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to process.

Key assumptions/sensitivities/risks

Discount rate (%)

N/A

There is a risk of increased crime, disorder and public nuisance. We have assumed that the number of beneficiaries is equal to the number of premises wishing to provide licensable activities that would have otherwise had to use TENs, and that will not be using TENs anyway for other matches. There is some uncertainty around these estimates. We have assumed that there will be no change in the total number of consumers watching these matches in licensed premises, even if more premises screen the matches.

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	NA

Evidence Base (for summary sheets)

A. Strategic Overview

A.1 Background

1. Under section 172 of the Licensing Act 2003 (the '2003 Act'), the Secretary of State may make an order relaxing licensing hours for licensed premises in relation to a 'celebration period', to mark an occasion of 'exceptional international, national or local significance'. A 'licensing hours order' can be used to relax licensing hours in licensed premises¹ during a period not exceeding four days. An order may be applied to all licensed premises in England and Wales or only to premises in one or more specified areas. Other variables in the order are the dates, times and licensable activities to which it applies. Since the introduction of the 2003 Act, this national power has been used to mark the Royal Wedding in 2011 and the Queen's Diamond Jubilee in 2012. This would be the first time such a power could be used for a sports tournament.
2. The World Cup is an important sporting event and it is likely that many pubs and other licensed premises will wish to sell alcohol and food later than their licence allows. A number of matches kick off late in the evening because of the time difference with host country Brazil. England's opening match on Saturday 14 June, in particular, is due to kick off at 11pm. A national relaxation of licensing hours would potentially benefit all on-trade licensed premises that are not authorized to sell alcohol or provide late night refreshment during the proposed nationally specified relaxation. It would be a decision for individual premises whether or not they choose to take advantage of any national relaxation. If there were no national relaxation, these businesses would have to issue a TEN to extend their licensed hours. Unlike under the TENs regime (see below), local agencies, including the police, would not be able to object to the national relaxation if introduced.
3. Under the 2003 Act, the existing TEN regime enables people with or without existing licences, including people who run pubs and bars, to give notice that they intend to sell alcohol at times when this would not otherwise be authorised on a 'one-off', limited basis. This system is designed to balance giving people and organisations flexibility in selling alcohol and carrying on other licensed activities, with protecting local people from the problems this can cause, including crime and disorder and public nuisance. For this reason, the police and Environmental Health Authorities (EHA) can object to a TEN on the basis of the licensing objectives² and potentially prevent the licensable activities to which it relates from going ahead in the way proposed.
4. Each TEN costs £21 and authorises the activities to which it relates to be carried on for up to 168 hours (seven days). A premises user must submit a standard TEN at least 10 working days before the event begins and at least five working days for a late TEN. Premises users are subject to annual limits on the number of TENs they can use (including a maximum of 12 per calendar year and covering events up to maximum of 21 days per year).
5. Any relaxation of licensing hours would mean that licence holders would not have to use a TEN in relation to those hours.
6. Unlicensed premises would not benefit from a licensing hours order and would still need to use TENs to put on events to sell alcohol.

A.2 Groups Affected

¹ A licensed premises is any premises authorised by a premises licence or club premises certificate to carry on licensable activities.

² The licensing objectives are: the prevention of crime and disorder; public safety; the prevention of public nuisance; the protection of children from harm.

7. **Licensed premises** in England / England and Wales whose licence does not currently permit them to sell alcohol or provide late night refreshment in the proposed national relaxation period, but who would wish to do so.
8. **Police** will have fewer TENS to respond to in the lead up to the affected evenings and will lose their discretion to issue objections to TENS. Later licensing times may introduce additional costs if police forces add extra officers or increase patrolling hours for the affected nights.
9. **Environmental Health Authorities (EHAs)** will also have fewer TENS to respond to in the lead up to the affected evenings. Currently if the police or EHA object to a TEN on crime and disorder grounds, they must give notice of objection to the licensing authority within two working days of receiving the TEN. EHAs will also lose their discretion to issue objections to TENS.
10. **Individuals** wishing to drink in licensed premises, as they will be able to drink later.
11. **Off trade** – as people will be able to stay in licensed premises later, this might mean that they purchase less alcohol from shops. However, given that we would expect a significant number of establishments to open late even in the absence of any intervention using the TEN process, we would not expect this impact to be significant.
12. **Local residents** – licensable activities without the usual oversight by local public protection agencies might lead to nuisance, crime or disorder, reducing the welfare of local residents.

A.3 Consultation

Within Government

13. Prior to publishing the consultation, there was a full write-round of the Home Affairs Committee, which gave their clearance to conduct the consultation.
14. This included: HM Treasury, Ministry of Defence, Department for Energy and Climate Change, Department for Education, Ministry of Justice, Department for Communities and Local Government, Department for Transport, Department of Health, Department for Environment, Food and Rural Affairs, Department for Culture, Media and Sport, Northern Ireland Office, Scotland Office, Wales Office, Cabinet Office, Department for Work and Pensions, Attorney General's Office.

Public Consultation

15. A public consultation ran from 13 – 26 March, in the form of an online survey. In addition, nine stakeholders were asked to provide detailed written responses to the consultation. The nine stakeholders are: British Beer and Pub Association (BBPA), Association of Licensed Multiple Retailers (ALMR), Local Government Association (LGA), Association of Chief Police Officers (ACPO), Association of Police and Crime Commissioners (APCC), Chartered Institute of Environmental Health (CIEH), National Organisation of Residents Associations (NORA), Football Supporters Association, Alcohol Health Alliance.

B. Rationale

16. The Home Secretary can relax hours for licensed premises to mark an occasion of 'exceptional international, national, or local significance'. A relaxation of licensing hours to mark the World Cup will mean that licensed premises that wish to sell alcohol during important matches, but whose licences do not enable them to do so, would not need to apply to extend their hours with a TEN.
17. The rationale for intervention is that the benefits to businesses and consumers from increased sale and consumption of alcohol during the World Cup are greater than at other times, and the Government may therefore wish to intervene to make an exception to regular licensing to allow these benefits to be realised, and to mark the World Cup as an occasion of national significance.

C. Objectives

18. The policy objective is to enable businesses to fully reap the benefits of increased licensable activities during the World Cup by removing the costs that the TEN regime would impose. The intended effect is to provide a substantial saving to businesses by removing these costs.

D. Options

19. Option 1 is to make no changes (do nothing). Businesses wishing to conduct licensable activities outside licensing hours would have to issue a TEN with a fee of £21.
20. Option 2 is to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three hours from kick off, until no later than 01:00.
21. Option 3 is to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three and a half hours from kick off, until no later than 01:00.
22. Option 4 is to relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for four hours from kick off, until no later than 01:00.
23. Each of these options relates to the following matches, should England be playing:

Group stage:

- 14 June 2014: England v Italy, kick off 23:00, licensing extended to 01:00 on 15 June;
- 19 June 2014: Uruguay v England, kick off 20:00, licensing extended to 23:00, 23:30, or midnight;

Second round (one of these matches, not both):

- 28 June, kick off 21:00, licensing extended to midnight, 00:30 or 01:00;
- 29 June, kick off 21:00, licensing extended to midnight, 00:30 or 01:00;

Quarter-finals (one of these matches, not both):

- 4 July, kick off 21:00, licensing extended to midnight, 00:30, or 01:00;
- 5 July, kick off 21:00, licensing extended to midnight, 00:30, or 01:00;

Semi-finals (one of these matches, not both):

- 8 July, kick off 21:00, licensing extended to midnight, 00:30, or 01:00;
- 9 July, kick off 21:00, licensing extended to midnight, 00:30, or 01:00;

Third place play-off:

- 12 July, kick off 21:00, licensing extended to midnight, 00:30, or 01:00;

Final:

- 13 July, kick off 20:00, licensing extended to 23:00, 23:30 or midnight.

24. Each of these options could apply to England and Wales, or England only.

E. Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

Assumptions and estimates

25. There are an estimated 134,000 premises licensed for on-sales of alcohol in England and Wales³ of which 49,000⁴ are pubs. These also include, for example, restaurants, hotels and private members' clubs - such as Royal British Legion, political or working men's clubs. Figures obtained by the Home Office in 2010 imply that 12% of these already close at 01:00 or later on a Saturday night. We have assumed that this figure is the same for Friday night. This implies around 117,000 potential beneficiaries – those who cannot currently provide licensable activities during matches with late kick offs but may wish to. Of these, we assume that 43,000 (an equal proportion to that of the total) are pubs.
26. The BBPA estimate that 35,000 pubs will show England's opening match. This estimate is based on a survey commissioned by the BBPA suggesting that four million fans were planning to watch England's opening match in the 2010 World Cup in a pub⁵. We assume that this figure is slightly optimistic since the 2010 match kicked off at 7:30pm. We assume that, due to the 11:00pm kick off, 10-20% fewer fans than in 2010 will watch in the pub, and 10-20% fewer pubs will show the match. We therefore estimate that 28,000-32,000 pubs (57-64% of all pubs) will show the match. We assume, in the absence of evidence otherwise, that the level of interest would be similar for England's other matches (some of which kick off later but may be seen as less significant).
27. Of the 85,000 remaining potential beneficiaries (holders of premises licences other than pubs, and club premises certificate holders), we assume that a proportion will choose to issue a TEN. However, we assume that this proportion will be lower than that for pubs. If we assume that 10-20% of remaining businesses (such as bars or restaurants) will issue a TEN, this gives 9,000-17,000 further businesses that are expected to wish to screen England's matches.
28. Of these businesses, a proportion is already licensed to serve alcohol beyond the proposed relaxation times. These numbers are explored in more detail in the appraisal of each option below.
29. While these 37,000-59,000 businesses will not have to issue a TEN for England's matches if a relaxation is implemented, some may choose to issue a TEN for other late matches within a seven day period. As a TEN lasts for up to seven days, these businesses would not have needed an additional TEN for the England matches, and so would receive no benefit from the extension.
30. FIFA estimates that the average UK television audience for a match during the 2010 World Cup was 5.3m, 30% of the peak audience of 17.9m which was reached during England's final match⁶. We therefore assume that, in general, other matches will only generate 30% of the interest that England's matches do. We assume this will increase as the tournament goes on, such that the final would generate the same interest as any England match, whether or not England are playing⁷. We assume that this implies that 30% (for the opening matches)-100% (for the final matches) of the businesses that would have applied for a TEN for an England match would choose to do so for other late matches.

Estimating the benefits of relaxation

31. We assume that the primary benefit to each business is the cost of a TEN, as this is the saving made by each business no longer needing a TEN. The TEN fee is £21 and the administrative cost to complete and send the TEN form has previously been estimated at £13.30⁸. The benefit in respect of each TEN that would otherwise be issued is therefore estimated to be £34.30.
32. Most of the benefits of this proposal are assumed to result from reduced costs for those businesses that would have wished to issue a TEN to show the matches. For the purpose of this

³ <https://www.gov.uk/government/publications/tables-for-alcohol-and-late-night-refreshment-licensing-england-and-wales-31-march-2013>

⁴ <http://www.beerandpub.com/statistics>

⁵ <http://www.beerandpub.com/news/fans-flock-to-pub-for-first-footy-match-in-world-cup>

⁶ http://www.fifa.com/mm/document/affederation/tv/01/47/32/73/2010fifaworldcupsouthafricatvaudien_cereport.pdf

⁷ BBC figures (<http://www.bbc.co.uk/news/10601184>) suggest that the audience in the UK for the 2010 World Cup final was around 20m, similar to that for England's final match.

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261279/TENs_IA.pdf

assessment, we have not considered the benefits at the margin. In other words, we have not attempted to model any behavioural change from the policy and have assumed that the number of businesses choosing to sell alcohol for these matches is unchanged⁹. Our estimates are therefore considered towards the lower end of the range of expected benefits. Benefits at the margin are expected to be very low because it is assumed that businesses would have issued a TEN if their potential profit from conducting licensable activities during the proposed relaxation periods exceeds £34.30.

33. There will be an additional benefit resulting from the fact that each relaxation will reduce the number of TENs each business gives in a year. This is already subject to a maximum of 12 per year. We have previously estimated that each TEN represents an average of £193 profit and that 0.75% of TENs applicants give the maximum number in a year¹⁰. We therefore assume an additional £1.45 benefit for each TEN that would otherwise have been issued¹¹.
34. We also expect there to be some businesses whose TENs would have otherwise been withdrawn, modified or subject to a counter notice, very likely following police concerns. On average, this occurred in 2.67% of TENs in 2012-13¹². We therefore expect a relaxation to lead to a small increase in the number of businesses providing licensable activities during England's matches. However, due to the small number of businesses involved, we assume that this will not lead to an increase in the number of consumers buying alcohol in licensed premises during the World Cup. Rather, we assume that the same number of consumers would be distributed across a greater number of premises. We therefore assume no net benefits to business from the increase in the number of premises selling alcohol. While sales (and therefore profits) for some businesses will increase, these sales will be drawn away from other businesses.
35. TENs impose administrative costs on licensing authorities. These are opportunity costs – we assume that staff processing TENs could otherwise be engaged in other productive activities. The TEN fee is, in theory, intended to cover these costs. In some cases, however, the cost of processing a TEN may exceed the fee income. A reduction in the number of TENs given may therefore reduce the costs faced by licensing authorities. We are currently seeking to establish the net cost to licensing authorities of processing TENs, but at this point we are unable to monetise these benefits.
36. In order to assess the potential benefits from the relaxation, we have estimated the number of TENs that the relaxation will avert. This is equal, for each match, to the number of premises expected to show the match, less: the number that are already licensed to be open until the proposed relaxation time; the number of TENs expected to be withdrawn, modified or subject to a counter notice; and the number expected to wish to show another match within a seven day period, for which the same TEN would otherwise apply.
37. For the purposes of this IA, we categorise all of the matches being considered for relaxation as falling in one of three distinct seven day periods, each of which would otherwise be covered by one TEN. The first of these is the group stage matches, on June 14th and June 19th. The second is the second round and quarter-finals, on June 28th, June 29th, July 4th and July 5th. The third is the semi-finals, third-place play-off and final, on July 8th, July 9th, July 12th and July 13th. While England are certain to be playing in the matches in the first period, there is a high probability that they will not be playing in the later matches. To account for this, we have used odds from Betfair.com¹³, implying that England have a 54% probability of progressing past the group stage and an 11% probability of progressing past the quarter-finals, allowing us to estimate the expected benefits.

⁹ While this may not be the case, it is expected that the benefit to those businesses that would not have sold alcohol without the extension will be small, otherwise they would have chosen to do so.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261279/TENs_IA.pdf

¹¹ $0.75\% \times 193 = £1.4475$

¹² <https://www.gov.uk/government/publications/tables-for-alcohol-and-late-night-refreshment-licensing-england-and-wales-31-march-2013>

¹³ This site was chosen as, unlike most commercial betting sites, it is an exchange, so a mid-point of the 'bid' and 'offer' odds can be taken. There is still clearly a great degree of uncertainty around this, so we have assumed that this is a best estimate from an upper and lower estimate of +/-25 percentage points.

38. All impacts are expected to be one-off, falling on the dates for which extensions are granted.

Estimating the costs of relaxation

39. The majority of costs resulting from a relaxation are expected to be those faced by police forces and any crime and health costs resulting from increased alcohol-related crime. This measure is not expected to greatly increase the number of premises serving food and alcohol late during the World Cup, as, in most cases, the cost of doing so will only have been reduced by £34.30. Rather, the measure will allow the 2.67% of TEN applicants whose TENs would otherwise have been withdrawn, modified or subject to a counter notice to open late when they would otherwise have been unable to do so.
40. A TEN would have been withdrawn, modified or subject to a counter notice because it was expected to undermine a licensing objective, either: the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm. Preventing TENs from being withdrawn, modified or subject to a counter notice would be expected to impose costs. For example, during the 2010 FIFA World Cup, there were 519 football related incidents of disorder at licensed premises¹⁴. Based on this, we could estimate the increase in the number of premises providing licensable activities due to the lack of opportunity for objection to lead to a further 14 incidents. However, since these premises pose a greater than average risk of crime and disorder, we would expect this number to be higher. Each of these incidents would impose a cost, resulting both from the incident itself and from imposing demands on police time. We are unable to monetise the costs from this, but we would expect that removing the opportunity to object to premises opening would lead to increased costs.
41. Furthermore, the increased risk of crime and disorder may lead to police forces deciding to roster more police officers during the matches. The Home Office has estimated the average cost of an hour of a junior police officer's time at £36¹⁵ (such that an increase of, for example, 28,000 hours of police time would result in a cost of £1m). We do not know how many more officers police forces would have to roster or for how long, so we are unable to monetise these costs.
42. This measure may be expected to increase the number of premises providing licensable activities during the World Cup. This may reduce sales of alcohol (or mean that sales increase less than otherwise would be the case during the World Cup period) in off-trade businesses. However, as stated before we have assumed no increase in the number of patrons during the matches. Even if there were an increase and this diverted off-premises sales this would be a transfer and would not affect the net costs and benefits of the proposal.

OPTION 2: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three hours from kick off, until no later than 01:00.

COSTS

43. As outlined below, we expect 900-1,100 businesses in the first period, 600-900 businesses in the second period and 800-1,000 businesses in the third period (should England progress to each of these stages) whose TENs would otherwise have been withdrawn, modified or subject to a counter notice to open late if licensing hours are relaxed. This would be expected to impose costs from undermining the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm. There may also be costs borne by police forces from having to roster additional officers to mitigate these risks.

BENEFITS

¹⁴ According to information provided by the Association of Chief Police Officers (ACPO)

¹⁵ Based on average salary, pension contribution, regional allowance, National Insurance contribution and hours worked.

44. As above, we estimate that 28,000-32,000 pubs will choose to show England's matches. We estimate that 9,000-17,000 other licence holders will choose to show England's matches. This gives a total of 37,000-49,000 potential beneficiaries.
45. Of the three seven day periods outlined above, the first involves England playing at 23:00 and extending licensing until 01:00 on a Saturday night, the second involves England playing at 21:00 and extending licensing until midnight on a Friday or Saturday night and the third involves England playing at 21:00 and extending licensing until midnight on a weeknight. Of the potential beneficiaries above, we have estimated that 88% are not licensed past 01:00 on a weekend, 66% are not licensed past midnight on a weekend and 81% are not licensed past midnight on a weekday. We therefore expect 32,000-43,000 businesses in the first period, 24,000-32,000 businesses in the second period and 29,000-39,000 businesses in the third period to issue a TEN for England's matches in the absence of a licensing relaxation.
46. Of these TENs, we assume (from past data) that 2.67% would be withdrawn, modified or subject to a counter notice. This is equivalent to 900-1,100 in the first period, 600-900 in the second period and 800-1,000 in the third period.
47. Of the remaining TENs, we expect some proportion to be intended to cover matches other than solely England matches. As outlined above, we expect non-England matches to attract 30% of the interest that England matches do in the group stages, and 100% by the final. We assume that second round and quarter-final matches will attract 65% of the interest of England matches, the mid-point of these two proportions. As such, we expect 22,000-30,000 businesses in the first period, 8,000-11,000 businesses in the second period and 800-1,000 businesses in the third period to benefit from a relaxation. These figures include both those businesses that would have applied for a TEN for England matches only and those businesses that would have applied for a TEN (for other matches) which would have otherwise been withdrawn, modified or subject to a counter notice.
48. Each of these businesses, as outlined in the assumptions above, will receive a benefit of £36 (from no longer needing to use the TENs system to open late). We estimate that this will result in benefits of £0.74m-£1.02m in the first period, £0.27m-£0.37m in the second period and £0.14m-£0.18m in the third period. After weighting this for the probability of England playing in each period, we estimate an **expected £0.85m-£1.27m benefit to businesses, with a best estimate of £1.04m.**

NET IMPACT

49. We expect there to be costs from an increased risk of crime and disorder, and from increased demands on police forces. We are unable to monetise these costs. We expect benefits of £0.85m-£1.27m, with a best estimate of £1.04m.

OPTION 3: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for three and a half hours from kick off, until no later than 01:00.

COSTS

50. As outlined below, we expect 900-1,100 businesses in the first period, 800-1,000 businesses in the second period and 800-1,000 businesses in the third period (should England progress to each of these stages) whose TENs would otherwise have been withdrawn, modified or subject to a counter notice to open late if licensing hours are relaxed. This would be expected to impose costs from undermining the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm. There may also be costs borne by police forces from having to roster additional officers to mitigate these risks.

BENEFITS

51. As above, we estimate that 28,000-32,000 pubs will choose to show England's matches. We estimate that 9,000-17,000 other licence holders will choose to show England's matches. This gives a total of 37,000-49,000 potential beneficiaries.
52. Of the three seven day periods outlined above, the first involves England playing at 23:00 and extending licensing until 01:00 on a Saturday night, the second involves England playing at 21:00 and extending licensing until 00:30 on a Saturday or Sunday morning and the third involves England playing at 21:00 and extending licensing until 00:30 on a Wednesday or Thursday morning. Of the potential beneficiaries above, we have estimated that 88% are not licensed past 01:00 on a weekend, 77% are not licensed past 00:30 on a weekend and 88% are not licensed past midnight on a weekday. We therefore expect 32,000-43,000 businesses in the first period, 28,000-37,000 businesses in the second period and 28,000-37,000 businesses in the third period to issue a TEN for England's matches in the absence of a licensing relaxation.
53. Of these TENs, we assume (from past data) that 2.67% would be withdrawn, modified or subject to a counter notice. This is equivalent to 900-1,100 in the first period, 800-1,000 in the second period and 800-1,000 in the third period.
54. Of the remaining TENs, we expect some proportion to be intended to cover matches other than solely England matches. As outlined above, we expect non-England matches to attract 30% of the interest that England matches do in the group stages, and 100% by the final. We assume that second round and quarter-final matches will attract 65% of the interest of England matches, the mid-point of these two proportions. As such, we expect 22,000-30,000 businesses in the first period, 10,000-13,000 businesses in the second period and 800-1,000 businesses in the third period to benefit from a relaxation. These figures include both those businesses that would have applied for a TEN for England matches only and those businesses that would have applied for a TEN (for other matches) which would have otherwise been withdrawn, modified or subject to a counter notice.
55. Each of these businesses, as outlined in the assumptions above, will receive a benefit of £36 (from no longer needing to use the TENs system to open late). We estimate that this will result in benefits of £0.74m-£1.02m in the first period, £0.31m-£0.43m in the second period and £0.13m-£0.17m in the third period. After weighting this for the probability of England playing in each period, we estimate an **expected £0.86m-£1.31m benefit to businesses, with a best estimate of £1.07m.**

NET IMPACT

56. We expect there to be costs from an increased risk of crime and disorder, and from increased demands on police forces. We are unable to monetise these costs. We expect benefits of £0.86m-£1.31m, with a best estimate of £1.07m.

OPTION 4: Relax national licensing hours for all England matches in the World Cup with a scheduled kick off time of 8pm or later, for four hours from kick off, until no later than 01:00.

COSTS

57. As outlined below, we expect 900-1,100 businesses in the first period, 900-1,100 businesses in the second period and 900-1,200 businesses in the third period (should England progress to each of these stages) whose TENs would otherwise have been withdrawn, modified or subject to a counter notice to open late if licensing hours are relaxed. This would be expected to impose costs from undermining the prevention of crime and disorder; public safety; the prevention of public nuisance or the protection of children from harm. There may also be costs borne by police forces from having to roster additional officers to mitigate these risks.

BENEFITS

58. As above, we estimate that 28,000-32,000 pubs will choose to show England's matches. We estimate that 9,000-17,000 other licence holders will choose to show England's matches. This gives a total of 37,000-49,000 potential beneficiaries.
59. Of the three seven day periods outlined above, the first involves England playing at 23:00 and extending licensing until 01:00 on a Saturday night, the second involves England playing at 21:00 and extending licensing until 01:00 on a Friday or Saturday night and the third involves England playing at 21:00 and extending licensing until 01:00 on a weeknight. Of the potential beneficiaries above, we have estimated that 88% are not licensed past 01:00 on a weekend and 95% are not licensed past midnight on a weekday. We therefore expect 32,000-43,000 businesses in the first period, 32,000-43,000 businesses in the second period and 35,000-46,000 businesses in the third period to issue a TEN for England's matches in the absence of a licensing relaxation.
60. Of these TENs, we assume (from past data) that 2.67% would be withdrawn, modified or subject to a counter notice. This is equivalent to 900-1,100 in the first period, 900-1,100 in the second period and 900-1,200 in the third period.
61. Of the remaining TENs, we expect some proportion to be intended to cover matches other than solely England matches. As outlined above, we expect non-England matches to attract 30% of the interest that England matches do in the group stages, and 100% by the final. We assume that second round and quarter-final matches will attract 65% of the interest of England matches, the mid-point of these two proportions. As such we expect 22,000-30,000 businesses in the first period, 11,000-15,000 businesses in the second period and 900-1,200 businesses in the third period to benefit from a relaxation. These figures include both those businesses that would have applied for a TEN for England matches only and those businesses that would have applied for a TEN (for other matches) which would have otherwise been withdrawn, modified or subject to a counter notice.
62. Each of these businesses, as outlined in the assumptions above, will receive a benefit of either £36 per TEN (from no longer needing to use the TENs system to open late). We estimate that this will result in benefits of £0.74m-£1.02m in the first period, £0.35m-£0.49m in the second period and £0.16m-£0.21m in the third period. After weighting this for the probability of England playing in each period, we estimate an **expected £0.88m-£1.35m benefit to businesses, with a best estimate of £1.10m.**

NET IMPACT

63. We expect there to be costs from an increased risk of crime and disorder, and from increased demands on police forces. We are unable to monetise these costs. We expect benefits of £0.88m-£1.35m, with a best estimate of £1.10m.

ONE-IN-TWO-OUT (OITO)

64. All policy options being considered are temporary measures, in place for less than 12 months, and so this measure is out of scope of OITO.

F. Risks

65. There is a risk of increased alcohol-related crime and disorder and public nuisance caused by the extension of licensable activities later into the evening without an opportunity for local public protection bodies to object. In addition to the increased drinking hours, violent incidents connected to previous televised football matches (such as anti-Portuguese attacks in Thetford in 2008), imply that there are risks that may have been averted if the police and EHA had been able to object. These risks could be mitigated by the work that is already underway by the licensed trade, in consultation with the police and Local Government Association, to promote good practice during the World Cup.

66. There is a risk that a smaller or greater number of businesses than we have estimated will benefit from this measure. This would change the benefits of the policy in a linear fashion; a smaller number of businesses benefiting, for example, would be expected to reduce the benefits by a proportionate amount.
67. The impacts estimated here assume that a relaxation would be applied to both England and Wales. We have no data on how our assumptions would differ between England and Wales. We can assume that a relaxation applied to England only would result in a smaller impact. We would expect this reduction to be roughly 5%, in line with the size of the population.

G. Enforcement

68. Monitoring and enforcement of the Licensing Act 2003 is conducted by licensing authorities, the police, and, in some cases, by Trading Standards. A licensing hours order does not alter the licensing objectives or existing enforcement and compliance measures. These proposals may result in a slight increase in the number of premises providing alcohol lawfully, and a potential increase in alcohol related crime and disorder.

H. Summary and Recommendations

The table below outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits		
Option	Costs	Benefits
2	We have not been able to monetise any costs from this option.	£1.04m (2013 prices, one-off)
	We expect some non-monetised cost to individuals, police forces and health services from increased risk of crime and disorder.	There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to administer.
3	We have not been able to monetise any costs from this option.	£1.07m (2013 prices, one-off)
	We expect some non-monetised cost to individuals, police forces and health services from increased risk of crime and disorder.	There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to administer.
4	We have not been able to monetise any costs from this option.	£1.10m (2013 prices, one-off)
	We expect some non-monetised cost to individuals, police forces and health services from increased risk of crime and disorder.	There may be a non-monetised benefit to licensing authorities from a reduction in the number of TENs they need to administer.

The preferred option is Option 4, as this presents the maximum benefits to business. Some stakeholders have suggested that an extension of four hours will allow a more gradual dispersal from premises after the match is finished, thereby posing a smaller risk of disorder and public nuisance as a result.

I. Implementation

The licensing hours order will relate to the FIFA World Cup 2014, which will take place in June and July 2014. Specifically, the relaxation of licensing hours will apply only to matches which England play with a scheduled kick off time of 8pm or later.
The order will commence on 12 June.

J. Monitoring and Evaluation

As this is a temporary change of licensing hours to mark England's participation in the World Cup, we will not formally monitor, evaluate or review. However, we will gather feedback from licensing authorities and the police.

K. Feedback

The Home Office will gather feedback from licensing authorities and the police.