

<b>Title:</b> Temporary Event Notice for Wales during the 2014 FIFA World Cup  <b>IA No:</b>  <b>Lead department or agency:</b> Home Office  <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>			
	<b>Date:</b> 29/05/2014			
	<b>Stage:</b> Final			
	<b>Source of intervention:</b> Domestic			
	<b>Type of measure:</b> Secondary legislation			
<b>Contact for enquiries:</b> Anna Dawson 020 7035 8711				
<b>Summary: Intervention and Options</b>			<b>RPC Opinion:</b> 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
£0m	£0.03m	£0	No	NA

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

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

**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 some of the costs that the normal TEN regime would impose. The intended effect is to provide a 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 create a 'World Cup TEN' with no fee for all England matches, and to reimburse the fee paid by licensed premises in Wales that have already given TENs for World Cup matches. The administration costs of the World Cup TEN to licensing authorities would be reimbursed by the Home Office.

<b>Will the policy be reviewed?</b> It will not be reviewed. <b>If applicable, set review date:</b> 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.		<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)				<b>Traded:</b> N/A	<b>Non-traded:</b> N/A

***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: \_\_\_\_\_ **Damian Green** \_\_\_\_\_ Date: \_\_\_\_\_ **29/05/14** \_\_\_\_\_

# Summary: Analysis & Evidence

# Policy Option 2

**Description:** Create a 'World Cup TEN' with no fee for all England matches, and to reimburse one fee of £21 paid by licensed premises in Wales that have already given TENs for World Cup matches.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2014	Time Period Years 1	Net Benefit (Present Value (PV)) (£m)		
			Low: 0	High: 0	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	£0.02	£0.02
High	0	£0.03	£0.03
Best Estimate	0	£0.03	£0.03

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

There are expected to be one-off costs of £22,000-£30,000 to government from reimbursing administration costs to licensing authorities for World Cup TENs that have not yet been issued, and also TENs fees to licensed premises that have already given TENs.

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

We expect a non-monetised cost to government, licensing authorities and businesses from administration of the reimbursement of fees and costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	£0.02	£0.02
High	0	£0.03	£0.03
Best Estimate	0	£0.03	£0.03

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

There are expected to be one-off benefits of £22,000-£30,000 to businesses from the reimbursement of TENs fees and the use of the zero fee World Cup TEN.

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

We do not expect any non-monetised benefits from this policy.

### Key assumptions/sensitivities/risks

We have assumed that the small saving involved will mean that this will not lead to more premises opening late during the World Cup (as the small saving involved is unlikely to be enough to change businesses' behaviour), and will therefore not lead to an increase in alcohol-related crime and disorder. There is a risk that this assumption proves wrong and that there will be increased alcohol-related crime and disorder.

Discount rate (%)

N/A

## BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: £0	Benefits: £0.03	Net: £0.03	No	NA

# Evidence Base (for summary sheets)

## A. Strategic Overview

### A.1 Background

1. 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.
2. In March the Home Office consulted on whether to relax licensing hours nationally in respect of England matches with late kick off times. The majority of respondents were in favour of a national relaxation. There were 25 consultation responses from people who live or work in Wales, and the majority of them (14 out of 25) were in favour of using the TENs system to relax licensing hours in Wales, rather than applying a blanket relaxation. The Licensing Act 2003 (FIFA World Cup Licensing Hours) Order 2014 will provide a relaxation of licensing hours for licensed premises in England on the dates of England matches with late kick off times. However, there will also be many football fans in Wales who wish to watch England matches live. A World Cup TEN will allow licensed premises in Wales to open late in line with the licensing hours order, without paying the £21 TENs fee.
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 can object to a TEN on the basis of the licensing objectives<sup>1</sup> 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. Altering the TENs application form and reducing the TENs fee can be done by making regulations to amend: the Licensing Act 2003 (Forms and Notices) (Amendment) Regulations 2012 and the Licensing Act 2003 (Fees) Regulations 2005 respectively. A temporary change may be made in respect of licensed premises in Wales intending to show England World Cup matches live. Retrospectively reimbursing the TENs fee for on-trade licensed premises in Wales which have given a TEN to show World Cup matches would not require a legislative change.

### A.2 Groups Affected

6. **Licensed premises** in Wales whose licence does not currently permit them to sell alcohol or provide late night refreshment during late England matches, but who would wish to do so, would benefit from the measure.
7. **Premises which do not hold an existing licence** to sell alcohol on the premises, but who wish to do so on a one-off basis during the England World Cup matches, would benefit from the measure.
8. **Licensing authorities** would face administration costs from processing the World Cup TEN, which would be free of charge to licensed premises. They would also face administration costs for

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<sup>1</sup> The licensing objectives are: the prevention of crime and disorder; public safety; the prevention of public nuisance; the protection of children from harm.

reimbursing TENs fees for those TENs already given and claiming reimbursement of costs from the Home Office.

9. **The Home Office** would face the cost of reimbursing licensed premises for TENs already given and reimbursing licensing authorities for the administrative cost of the World Cup TEN.

### **A.3 Consultation**

10. A consultation was carried out on the extension of licensing hours during the World Cup. The World Cup TEN for Wales is consistent with the responses to that consultation and therefore no separate consultation has been conducted on a World Cup TEN for Wales.

#### **Within Government**

11. Prior to publishing the consultation, there was a full write-round of the Home Affairs Committee, which gave their clearance to conduct the consultation.
12. 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**

13. 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**

14. 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.

## **C. Objectives**

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

## **D. Options**

16. Option 1 is to make no changes (do nothing). Businesses in Wales wishing to conduct licensable activities outside licensing hours would have to issue a TEN with a fee of £21. Several TENs would be needed if a business wished to show all England matches in the World Cup.
17. Option 2 is to create a 'World Cup TEN' with no fee for all England matches, and to reimburse the £21 fee paid by licensed premises in Wales that have already given TENs for World Cup matches. The administration costs of the World Cup TEN to licensing authorities would be reimbursed by the Home Office.

18. The World Cup TEN would relate 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 midnight;

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

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

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

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

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

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

**Third place play-off:**

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

**Final:**

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

## E. Appraisal (Costs and Benefits)

### GENERAL ASSUMPTIONS & DATA

#### *Assumptions and estimates*

19. In our previous impact assessment (IA) on relaxing licensing hours for England and Wales, we estimated that 28,000-32,000 pubs and 9,000-17,000 other businesses would benefit from a relaxation<sup>2</sup>. These estimates related to premises in both England and Wales. We estimate that around 5% of these premises would be in Wales<sup>3</sup>.
20. In our IA on relaxing licensing hours for England and Wales, we estimated that 57-64% of pubs and 10-20% of other businesses would wish to show late England matches. We assume that the proportion of premises wishing to show England matches in Wales would be lower than in England. We estimate that 47-53% of pubs and 8-12% of other businesses in Wales would wish to show late England matches<sup>4</sup>. We assume that should any unlicensed premises decide to take advantage of this measure, the number who do so would be very small.
21. Of these businesses, a proportion is already licensed to serve alcohol during late England matches. These numbers are explored in more detail in the appraisal below.
22. While these businesses will not have to pay a TEN fee for England's matches if Option 2 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 World Cup TEN. We use the same assumptions for this as for the IA on relaxing licensing hours for England and Wales.

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/299272/WorldCupImpactAssessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/299272/WorldCupImpactAssessment.pdf). A decision was subsequently taken that this relaxation would not apply to Wales.

<sup>3</sup> Wales population is 5.47% of that for England and Wales, <http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-uk--england-and-wales--scotland-and-northern-ireland/mid-2011-and-mid-2012/index.html>

<sup>4</sup> These estimates are based on a 2006 BBC Sport poll suggesting that 83% of Welsh fans would support England at the World Cup, [http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/03\\_march/31/world\\_cup.shtml](http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/03_march/31/world_cup.shtml)

23. We assume, as in our previous IA, that the number of beneficiaries would vary as the tournament progresses.
24. By the time this measure is implemented, any further TENs submitted would have to be late TENs. Around 11% of all TENs are submitted as late TENs<sup>5</sup>. We therefore estimate that 11% of beneficiaries would apply for the World Cup TEN, and the remaining 89% would have already given TENs and would have these reimbursed. The net impact of these is the same – a saving or refund of £21 to business, and a cost of £21 to government.
25. Since licensing fees are set in order to cover costs to licensing authorities, we assume that the cost to a licensing authority of administering a TEN is £21. This is therefore the amount that would be reimbursed to licensing authorities for processing a zero fee World Cup TEN.

**OPTION 2: Create a ‘World Cup TEN’ with no fee for all England matches, and to reimburse the fee paid by licensed premises in Wales that have already given TENs for World Cup matches.**

**COSTS**

26. The primary cost of this measure is the cost to the Home Office of reimbursing premises for TENs already given for England matches during the World Cup and reimbursing licensing authorities the administrative costs of any TENs to be given with no fee. This cost will be £21 per licensed premise in Wales that has, or will, give a TEN for an England match during the World Cup. There will also be an administrative cost to the Home Office, licensing authorities and businesses from the processing and reimbursement. This would be a new process, so we are not able to monetise this cost.
27. It is likely the process would involve licensed premises making an application for reimbursement and providing evidence that they are eligible, this would need to be verified by the licensing authority before the fee could be refunded by the Home Office.
28. This measure is not expected to increase the number of premises serving food and alcohol late during the World Cup, versus the Do Nothing option. We assume that without this measure, these premises would still have applied for a TEN, but would have borne the cost themselves. We make this assumption because the cost of doing so will only have been reduced by £21, which is unlikely to be enough to change businesses’ behaviour. This measure is therefore not expected to significantly increase the risk of crime and disorder.
29. Based on the assumptions outlined above, we estimate that 1,100-1,400 Welsh premises in total would wish to show late England matches. Of these, around 100 would not yet have submitted a TEN and would use the World Cup TEN, with a cost of £2,800-£4,900. The remaining 900-1,300 businesses would be reimbursed for TENs already given at a cost of £19,000-£26,000. **The total costs would therefore be £22,000-£30,000**, and any additional non-monetised costs from administration of the reimbursement of fees and costs.

**BENEFITS**

30. We assume that the primary benefit to each business is the TEN fee, as this is the saving made by each business. The TEN fee is £21. The administrative cost of the TEN to businesses will still be incurred.
31. For the purpose of this 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

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<sup>5</sup> <https://www.gov.uk/government/publications/tables-for-alcohol-and-late-night-refreshment-licensing-england-and-wales-31-march-2013>

assumed that the number of businesses choosing to sell alcohol for these matches is unchanged<sup>6</sup>. 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.

32. In order to assess the potential benefits from the World Cup TEN, we have estimated the number of TENs that will be given for England matches. This is equal, for each match, to the number of premises expected to serve alcohol during 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.
33. Based on the assumptions outlined above, we estimate that 1,100-1,400 Welsh premises in total would wish to show late England matches. Of these, around 100 would not yet have submitted a TEN and would use the World Cup TEN, facing a saving of £2,800-£4,900. The remaining 900-1,300 businesses would be reimbursed for TENs already given and would enjoy benefits of £19,000-£26,000. **The total benefits would therefore be £22,000-£30,000.**
34. All impacts are expected to be one-off, falling on the dates of the relevant matches.

#### **NET IMPACT**

35. We expect the net impact of this measure to be negative. The monetised impact represents a transfer of costs from business to government, and additional costs will be imposed from administration of the reimbursement of fees and costs.

#### **ONE-IN-TWO-OUT (OITO)**

36. Option 2 is a temporary measure, in place for less than 12 months, and so is out of scope of OITO.

## **F. Risks**

37. We have assumed that the small saving involved will mean that this will not lead to more premises opening late during the World Cup, and will therefore not lead to an increase in alcohol-related crime and disorder. There is a risk that this assumption proves wrong and that there will be increased alcohol-related crime and disorder.
38. There is a risk that we may not have the legal ability to reimburse premises for TENs already given. If this is the case, we will use the World Cup TEN only and will not reimburse premises for TENs already given.

## **G. Enforcement**

39. Monitoring and enforcement of the Licensing Act 2003 is conducted by licensing authorities, the police, and, in some cases, by Trading Standards.

## **H. Summary**

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

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<sup>6</sup> 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.

<b>Table H.1 Costs and Benefits</b>		
<b>Option</b>	<b>Costs</b>	<b>Benefits</b>
<b>2</b>	There are expected to be costs of £22,000-£30,000 to government from reimbursing TENs fees to licensed premises and administrative costs to licensing authorities (one-off).	There are expected to be benefits of £22,000-£30,000 to businesses from the reimbursement of TENs fees and the use of the zero fee World Cup TEN (one-off).
	We expect a non-monetised cost to government, licensing authorities and businesses from administration of reimbursement of fees and costs.	We do not expect any non-monetised benefits from this policy.

## **I. Implementation**

The World Cup TEN for licensed premises in Wales will relate to the FIFA World Cup 2014, which will take place in June and July 2014. Specifically, the TEN will apply only to matches which England play with a scheduled kick off time of 8pm or later. The order allowing licensed premises to use the World Cup TEN will commence in early June.

## **J. Monitoring and Evaluation**

As this is a temporary change to licensing 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.