

RE. THE CO-OP AND PREMISES
LICENCE
UNDER THE LICENSING ACT 2003

ADVICE

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RE. THE CO-OP AND PREMISES LICENCES
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ADVICE

1. I am asked to advise the Co-Op about a condition which appears in several of its premises licences granted under the Licensing Act 2003, and as to the proper interpretation of this condition.

2. I have in front of me a typical example of such a premises licence, in this case granted by Knowsley Council, for a Co-Op situated in Fazakerley. The licence authorises the licensable activity of the sale by retail or the supply of alcohol. The licensee is the Co-Operative Group Food Limited. Attached to this licence are the mandatory conditions, and various other conditions under the headings of the licensing objectives i.e. the prevention of crime and disorder, public safety, the prevention of public nuisance, and the protection of children from harm. Modifications were made to the conditions, following a hearing on 14th March 2013, which the Council considered “appropriate, proportionate and reasonable” to make “having regard to the promotion of the licensing objectives”.

3. Under the heading of “The Prevention of Public Nuisance” appears just one condition, (not modified earlier this year) which is:-

“No deliveries to take place between 10pm and 7am the following day.”

4. I understand that no deliveries of alcohol have taken place between 10pm and 7am, but it has been alleged that some deliveries of other goods which the shop sells have taken place within those hours. This condition, as I have mentioned, is typical of more than one Co-op premises licence and although the premises licence I have quoted is one granted by Knowsley Council, this Advice extends to other licences with a similar condition. Knowsley Council, I understand, have put forward the view that the condition means that no deliveries whatsoever may take place between 10pm and 7am, whereas the Co-Op and my Instructing Solicitor maintain that the condition can only refer to the deliveries of alcohol to the premises covered by the licence.

The Licensing Act 2003

5. The heading to the Act specifies that it is:-

“An Act to make provision about the regulation of the sale and supply of alcohol, the provision of entertainment and the provision of late night refreshment, about offences relating to alcohol and for connected purposes.”

6. Section 1 sets out the “licensable activities”, the first one of which is the sale by retail of alcohol.

7. By Section 2(1)(a), a licensable activity (in this case the sale by retail and supply of alcohol) may be carried on under and in accordance with a premises licence. By Section 136, a person commits an offence if he carries on a licensable activity from premises otherwise than under and in accordance with an authorisation, i.e. a licence in this case. There are various other offences relating to alcohol set out in the following

sections. Obviously, therefore, the licence is entirely concerned with making lawful, and controlling, the licensable activities.

8. By Section 4(1) a licensing authority:-

“.....must carry out its functions under this Act (“licensing functions”) with a view to promoting the licensing objectives.

(2) The licensing objectives are:

- (a) the prevention of crime and disorder;
- (b) public safety;
- (c) the prevention of public nuisance; and
- (d) the protection of children from harm.”

9. By Section 11, a premises licence means a licence which “authorises the premises to be used for one or more licensable activities”. So, as may be seen, everything is tied to the licensable activity which in this case refers to the sale by retail of alcohol.

10. A licensing authority is given power to grant a premises licence subject to conditions (see Section 18). If no relevant representations are received, the authority’s power to impose conditions is limited, but if a relevant representation is received, the authority’s power is somewhat wider. However it is still constrained as the authority may only impose conditions (other than the mandatory conditions), “appropriate for the promotion of the licensing objectives”.

11. The Co-Op requires this licence solely to enable the sale of alcohol by retail. It does not require any premises licence to carry on the main bulk of its trade, which is that of selling food and other grocery products, presumably permitted under appropriate planning permission. Therefore, it can lawfully supply food and other grocery products other than alcohol without a premises licence. If there were no premises licence in force, the Co-Op can perfectly lawfully receive deliveries of food and other grocery products at any time.

12. A licensing authority may only impose a condition so far as it considers it appropriate for the promotion of the licensing objectives in relation to a licensable activity. It does not have carte blanche to impose any condition which it considers may be appropriate to the premises. To impose such a condition unrelated to a licensable activity would be ultra vires, unlawful and irrational. This was recently illustrated in a Scottish case, Bapu Properties Limited v. City of Glasgow Licensing Board 2012 WL 488659. This was an appeal to the Sheriff's Court under the Licensing (Scotland) Act 2005 where the Licensing Board had refused an application for a variation of a premises licence in relation to a licensed Indian restaurant. The restaurant wished to extend the ambit of the licence to include an external seating area along the pavement next to the glass frontage of the restaurant. One of the reasons given by the Board to support this refusal was that the granting of the application would be inconsistent with the licensing objective of preventing public nuisance. The Board considered that granting the application would limit the space on the footpath so as to cause congestion and inconvenience to pedestrians in a busy area of the city centre.

13. The Scottish Licensing Act is not identical in its terms to the Licensing Act 2003 but it has striking similarities. It refers to “premises licences,” and licensing objectives, one of which is “preventing public nuisance.” One of the grounds for refusal of a licence is that “the Board considers that the granting of the licence would be inconsistent with one or more of the licensing objectives.” In my view, it is right that the Scottish court and the Scottish law should provide authority and guidance for the English court.

14. The Court found:-

“45. The single function of a Licensing Board under the 2005 Act is that of the licensing of the sale of alcohol. The powers to licence (sic) the sale of alcohol cannot be deployed to effect objectives not related to the sale of alcohol, but which the Licensing Board might yet find desirable. The objectives listed in Section 4 of the 2005 Act” (which are the licensing objectives), “though striking in their apparent generality, are not “free-standing” objectives. They are “licensing” objectives. The objectives, if they are to be relied upon to refuse a licence, must be “linked to the sale of alcohol” (Brightcrew Limited v. The City of Glasgow Licensing Board [2011] CSIH 46 at paragraph 26).”

The court went on to describe how the supposed public nuisance arose from the apprehended pedestrian congestion on the footpath. However the court held that congestion was not directly or materially linked to the sale of alcohol on the premises. It did not flow directly or materially from the licensing of the sale of alcohol. If it existed at all it would be attributable to the physical presence of the tables and the chairs of the restaurant’s external operation, which was already sanctioned by, inter alia, planning consent. Of course, conditions imposed on licences in England should not duplicate other

statutory provisions either, and here the Coop is entitled to sell food and other grocery products by virtue of planning permission.

15. The Court further stated:-

“48. The Board is not concerned with preventing public nuisance generally. The Board is only concerned with prevention of public nuisance so far as referable to the sale of alcohol.”

16. In the Brightcrew case (supra), at para 26, in addition to what was quoted in the Bapu case, the Inner House, Court of Session stated that, although the licensing objectives were all desirable in a general sense, that did not empower a Licensing Board to insist on matters not linked to the sale of alcohol. The same is true in England.

17. Consequently, in my view, any condition imposed has to be able to be materially and directly related to a licensable activity, which in this case is the sale by retail of alcohol. The authority do not have power under the Licensing Act to impose a condition which relates to anything other than one of the licensable activities i.e. here the sale by retail of alcohol. As was said in the Bapu Properties case (following the Brightcrew case), the authority is not concerned with preventing public nuisance generally, only with the prevention of public nuisance so far as it is referable to the sale of alcohol. A condition which purports therefore to limit all deliveries of foodstuffs or other groceries would be an unlawful condition because the authority would not have the power to impose it. However, the condition can be construed, and, in my view, must be construed, perfectly lawfully, if construed only to refer to deliveries of alcohol to be sold in the shop.

When faced with two possible interpretations, one of which would be unlawful and the other of which is lawful, the lawful interpretation is the one to be followed.

18. In contract law, “where the words of a contract are capable of two meanings, one of which is lawful and the other unlawful, the former construction should be preferred.” This principle is based on the proposition that “the parties are unlikely to have intended to agree to something unlawful.” (See Lewison “The Interpretation of Contracts,” 5th Edition at 7.1). The same can be said here: the authority is unlikely to have intended to impose a condition that was ultra vires and unlawful. Indeed, one must work on the basis that the authority intended to act lawfully and within its powers, and therefore, the condition can only refer to deliveries of alcohol.

19. I have in front of me a letter from Mrs Jane Miller in Croydon written to the local council in relation to a variation application put in by the Co-Op in respect of premises in Featherbed Lane, complaining that deliveries of bread to the Co-Op have taken place before 7am. The letter is the only representation received in respect of the application. The Licensing officer is suggesting that it is a relevant representation and therefore there needs to be a hearing. However, as I have set out above, when the authority are carrying out its duties under the Licensing Act, under section 4 (see para 8 above), the authority are concerned with matters relevant to the licensable activity in question and not public nuisance generally. Mrs Miller’s letter deals only with alleged deliveries of grocery products and has nothing to do with the retail sale of alcohol, and therefore has nothing to do with the likely effect of the grant of the application on the promotion of the licensing objectives. It therefore cannot be a relevant representation (see section 35(5)). Therefore

the application must be granted administratively without the need for a hearing (see section 35(2)).

SUSANNA FITZGERALD Q.C.

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