



Licensing Sub Committee Hearing Panel

Date: Monday, 20 September 2021

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published

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Membership of the Licensing Sub Committee Hearing Panel

Councillors - Andrews, Hassan and Jeavons

Supplementary Agenda

7. **Application for a Premises Licence Variation - Swan Street Firehouse, 40 Swan Street, Manchester, M4 5JG** 3 - 36
Contains new information from the Licensing & Out of Hours Compliance Team.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 10 September 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

Neutral Citation Number: [2011] EWCA Civ 31

Case No: C1/2009/1736

**COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE QUEEN'S BENCH DIVISION
(ADMINISTRATIVE COURT)**

Mr Justice Burton

CO/5324/2009

Royal Courts of Justice
Strand, London, WC2A 2LL
26/01/2011

B e f o r e :

**THE PRESIDENT OF THE FAMILY DIVISION
LORD JUSTICE LAWS
and
LORD JUSTICE TOULSON**

Between:

**THE QUEEN ON THE APPLICATION OF
HOPE AND GLORY PUBLIC HOUSE
LIMITED** **Claimant/
Appellant**

- and -

**CITY OF WESTMINSTER MAGISTRATES
COURT** **Defendant**

-and-

**THE LORD MAYOR AND THE CITIZENS
OF THE CITY OF WESTMINSTER** **Interested
Party/
Respondent**

**Mr Ian Glen QC and Mr Gordon Bishop (instructed by Jeffrey Green
Russell) for the Claimant/Appellant**
**Mr David Matthias QC and Ms Emma Dring (instructed by Westminster City
Council) for the Interested Party/Respondents**
The Defendant being neither present nor represented
Hearing date: 9 November 2010

HTML VERSION OF JUDGMENT

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Lord Justice Toulson delivered the judgment of the Court:

Introduction

1. This appeal raises a question about how a magistrates' court hearing an appeal from a decision of a licensing authority under the Licensing Act 2003 ("the Act") should approach the decision.

Background

2. The appellant owns the Endurance public house in Berwick Street, Soho. The premises are licensed for the sale and supply of alcohol and for the provision of entertainment and late night refreshment. The licence was granted on 12 March 2007 by Westminster City Council ("the council") as the local licensing authority.
3. On 15 April 2008 the council's Environmental Health Consultation Service ("EHCS") applied under s51(1) of the Act for a review of the licence after complaints were made by residents about the level of noise caused by customers taking their drinks out of the pub and congregating on the street during the evenings.
4. The hearing of the review took place before the council's Licensing Sub-Committee on 26 and 27 June 2008. The sub-committee heard submissions and evidence lasting about 5 hours. It decided to attach a number of conditions to the licence, the main condition being that no customer should be permitted to take drink from the premises in an open container after 6 pm. The decision and the sub-committee's reasons were notified to the appellant's solicitors by a letter dated 4 July 2008. The sub-committee stated:

"We have no policy to ban outside drinking, and we have accordingly not approached the case on that basis. We were not referred to the Council's statement of licensing policy by any party. We have had regard, as we must, to the policy,...but we have reached our decision based on the evidence that has been put before us in relation to these premises, and not on any policy ground.

The application was made on the grounds of public nuisance, and we first consider whether it was established that a public nuisance for the purposes of the Act exists. The evidence we heard was that large

numbers of customers of the Endurance congregate on a daily basis outside the public house in Kemps Court in the evening, the numbers involved ranging from very few (5-10) to very many (180 or more). Those customers drinking and talking outside the premises make a noise. The noise is amplified by the configuration of buildings in the area. The noise causes public nuisance to surrounding residents, including, in particular residents directly opposite the public house.

The licensee argued that the noise was not so bad as to constitute a nuisance and that the complaints...were exaggerated. He called expert evidence in support of that proposition. We are completely satisfied that the noise is indeed a serious nuisance...

A number of local residents and other customers of the premises gave evidence about the way in which the premises were run, and we accept that the premises are valued by its customers and that a number of people enjoy being able to drink outside. We reject however the argument that a licensee has a fundamental right to, in effect, appropriate a part of the public realm for his own commercial purposes, if the effect of doing so is to cause serious public nuisance to his neighbours. Accordingly, we are persuaded that it is appropriate to take steps to prevent that public nuisance from continuing.

We recognise that steps should only be taken where they are necessary and that it cannot be necessary to take disproportionate steps..."

5. The sub-committee then considered the conditions proposed by EHCS and additional conditions proposed by the police. It concluded that most of the proposed conditions were required.
6. The appellant appealed against the decision to the City of Westminster Magistrates Court under s181 and schedule 5 of the Act.
7. At a preliminary hearing on 7 May 2009 District Judge Snow heard argument about how he should approach the decision of the sub-committee on the hearing of the appeal. He held that he was bound by the decision of the Court of Appeal in *Sagnata Investments Limited v Norwich Corporation* [1971] 2 QB 614, in the light of which he ruled:

"I will therefore

- (1) Note the decision of the licensing sub-committee.
- (2) Not lightly reverse their decision.
- (3) Only reverse the decision if I am satisfied it is wrong.
- (4) I will hear evidence.

(5) The correct approach is to consider the promotion of the Licensing Objectives. To look at the Licensing Act 2003, the Guidance made under section 182 LA03, Westminster's Statement of Licensing Policy and any legal authorities.

(6) I am not concerned with the way in which the Licensing Sub-Committee approached their decision or the process by which it was made. The correct appeal against such issues lies by way of Judicial Review."

8. The district judge heard the appeal over 5 days between 11 and 25 June 2009, during which he heard 4 days of evidence, considered 1797 pages of statements and exhibits and visited the site. On 30 June 2009 he delivered a 22 page written judgment. His conclusions in summary were:

"I find, on the balance of probabilities, that given the number of Residents, Students and Teachers affected, and given the geographical spread, that the nuisance clearly is a public nuisance.

...

The evidence is clear, that the public nuisance arises between 6 pm and 11 pm. The conditions imposed by the Licensing Sub-Committee are necessary and proportionate to ensure the promotion of the licensing objectives.

...

On 7 May 2009 I set out that I would only interfere with the decision of the sub-committee if I was satisfied that it was wrong. In fact I am satisfied that it was right. This appeal is dismissed."

9. The appellant applied for judicial review of the district judge's decision on various grounds. The primary argument was that the district judge's ruling about how he should approach the decision of the sub-committee was wrong in law.
10. The appellant's application for permission to apply for judicial review was dismissed by Burton J in a judgment dated 21 July 2009.
11. Permission to appeal was refused by Moses LJ on paper but was granted by Sir Mark Waller after an oral hearing on 19 May 2010. The permission was limited to the single question whether the district judge's self-direction was correct. As to that, Sir Mark Waller observed:

"So far as the direction is concerned, the position may well be covered by the authority *Sagnata Investments Limited v Norwich Corporation* [1971] 2 QB 614, but it seems to me that the question of

whether it is an appropriate direction and the question of whether that is the right way in which a magistrate should approach an appeal in which he is hearing all the evidence de novo is a matter of some importance. We can spend a great deal of time arguing about the arguability of the point and it is better to have a decision which clarifies the position, which at present there is not."

Fresh evidence

12. In addition to the ground on which leave to appeal was granted, Mr Glen QC sought leave on behalf of the appellant to introduce fresh evidence. The purpose of the fresh evidence was to rebut evidence given by a witness, Ms Bailey, at the hearing before the district judge to the effect that noise from the Endurance disturbed lecturers and students at the nearby Westminster Kingsway College. Ms Bailey had provided a witness statement on 15 January 2009, which had been disclosed to the appellant's representatives soon afterwards, i.e. several weeks prior to the hearing before the district judge. The fresh evidence came from others at the college and was obtained in October 2010, i.e. several months after Waller LJ granted limited permission to appeal. We can see no basis on which the late discovery of this evidence could provide a proper ground for judicial review of the district judge's decision and we refuse the application for permission to introduce it.

Licensing Act 2003

13. The short title of the Act 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."

14. The Act brought about major changes to the licensing system in England and Wales. The background, nature and purpose of its provisions are summarised in the Explanatory Notes to the Act.
15. Essentially, the Act integrated alcohol, public entertainment, theatre, cinema, night café and late night refreshment licensing. Previously there was a patchwork system under which liquor licences were granted by licensing magistrates but other licensing functions, such as public entertainment licensing, were the responsibility of local authorities. The Act followed the publication in April 2000 of a White Paper (Cm 4696) entitled "Time for Reform: Proposals for the Modernisation of Our Licensing Laws".

16. The Act created a unified system of regulation of the activities of the sale and supply of alcohol, the provision of regulated entertainment and the provision of late night refreshment, referred to in the Act as the "licensable activities". The White Paper proposed that the licensing authority under the new scheme should be the local authority; and the Act follows that proposal. The government explained its reasons in the White Paper as follows:

"117. The current responsibility of magistrates for liquor licensing reflects their traditional role in maintaining the peace and the association of alcohol with crime. Entertainment licensing came on the scene at a time when the magistrates' role had moved a long way from law enforcement towards the administration of justice. With an integrated system of licensing it is necessary to decide if the responsibilities should fall to the magistrates or the local authorities or some third body which might involve both.

...

123. There are three compelling reasons in favour of giving the local authority (at district level) the responsibilities we have described in this White Paper. They are:

- Accountability: we strongly believe that the licensing authority should be accountable to local residents whose lives are fundamentally affected by the decisions taken
- Accessibility: many local residents may be inhibited by court processes, and would be more willing to seek to influence decisions if in the hands of local councillors
- Crime and disorder: Local authorities now have a leading statutory role in preventing local crime and disorder, and the link between alcohol and crime persuasively argues for them to have a similar lead on licensing.

124. In reaching our conclusion, we do not in any way seek to devalue the importance of the wider contribution the local licensing justices have made for so many years. While in our proposals they would be relieved of administrative licensing responsibilities, they would retain, in their capacity as magistrates, the responsibility for dealing with people charged with offences under licensing law and for the imposition of sanctions and penalties in respect of personal licence holders."

17. Magistrates also have an appellate function, which lies at the heart of this appeal.

18. Section 4 sets out general duties of licensing authorities. It identifies "licensing objectives" which licensing authorities are to promote. These include the prevention of public nuisance. Section 5 requires licensing authorities to produce statements of licensing policy for three year periods. In carrying out its licensing functions, a licensing authority must have regard to its licensing statement and to any guidance issued by the Secretary of State for Culture, Media and Sport under s182. Before determining its policy for a three year period, a licensing authority must go through a process of public consultation: s5(3). Section 6 provides for licensing authorities to conduct their licensing functions through licensing committees. Section 9 deals with proceedings before licensing committees and empowers the Secretary of State to make regulations about them.
19. There are various types of "personal licence" and "premises licence" which a licensing authority may grant. The present case concerns a premises licence granted under s18. It is open to a licensing authority to attach such conditions to a licence under s18 as it considers necessary for the promotion of the licensing objectives identified in s4.
20. Under s51 an "interested party" or a "responsible authority" may apply to the licensing authority for a review of a premises licence. An interested party includes anyone living or involved in a business in the vicinity: s13(3). A responsible authority includes the local authority which has statutory responsibilities in relation to the protection of the environment and human health: s13(4)(e). In the present case the applicant for the review was the council, acting through the EHCS. Section 53 expressly permits a local authority to make an application under s51 for a review of a premises licence in its capacity as a responsible authority and to determine the application in its capacity as the licensing authority.
21. Section 52 provides that a licensing authority which receives an application under s51 may, after holding a hearing to consider it and any relevant representations,
- "take such of the steps mentioned in subsection (4) (if any) as it considers necessary for the promotion of the licensing objectives."
- The steps mentioned in subsection (4) include modifying the conditions of the licence.
22. Section 52(10) requires the licensing authority to notify its determination, and its reasons for making it, to the holder of the licence, the applicant, any person who made relevant representations and the local chief officer of police.

23. Section 181 and schedule 5 provide a system for appeals from decisions of a licensing authority to a magistrates' court. Paragraph 8 of schedule 5 deals with appeals against decisions made under s52. It provides:

"(1) This paragraph applies where an application for review of a premises licence is decided under section 52.

(2) An appeal may be made against that decision by-

- (a) the applicant for the review,
- (b) the holder of the premises licence or
- (c) any other person who made relevant representations in relation to the application."

24. The powers of a magistrates' court on an appeal from a decision of the licensing authority are to dismiss the appeal, to substitute any other decision which could have been made by the licensing authority, or to remit the case to the licensing authority to dispose of it in accordance with the direction of the court: s181(2).

25. The Magistrates' Courts Rules 1981 (made under the Magistrates' Court Act 1980) provide that where a statutory appeal lies to a magistrates' court against a decision or order of a local authority or other authority, the appeal shall be by way of complaint for an order (rule 34). The rules also provide that on the hearing of a complaint, it is for the complainant to go first in calling evidence (rule 14).

The appellant's submissions

26. Mr Glen submitted that the district judge wrongly placed the burden on the appellant to disprove that the noise caused by customers of the Endurance was such as to amount to a public nuisance and that the conditions imposed by the licensing authority were necessary and proportionate. He submitted that it was for the EHCS to prove its allegation of public nuisance and to establish that the modifications to the licence were necessary and proportionate. The hearing before the district judge was a hearing de novo, at which evidence was given and tested by cross-examination. Mr Glen pointed out that the licensing sub-committee itself stated that its decision was not based on any policy ground. Rather, it turned on the sub-committee's assessment of the facts. On factual issues of that kind, it undermined the nature of an appeal process by way of rehearing if the court started with a presumption in favour of the licensing authority. Moreover, such an approach did not comply with the requirement of article 6 of the European Convention that in the determination of his civil rights everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law. In support of this

submission he relied on the following passage from Paterson's Licensing Acts, 2009, para 5.4:

"Assuming we are correct in saying that the hearing in the magistrates' court needs to be article 6 compliant, then the magistrates would not be an "independent and impartial" tribunal if the court starts off from a position favouring the decision of the licensing authority. The licensing authority will be a party to any appeal and the success or failure of the appeal should depend on the evidence which is given and the arguments which are put forward."

27. Mr Glen also cited the decision of the Divisional Court in *R(Chief Constable of Lancashire) v Preston Crown Court* [2001] EWHC Admin 928. That case concerned an appeal from licensing justices to the crown court under the Licensing Act 1964. It was argued that there was a breach of article 6 because the composition of the court included two members who belonged to the same licensing committee as the magistrates whose decision was under appeal. The argument was rejected, but Mr Glen relied on a passage (at para 18) where Laws LJ, who delivered the main judgment, referred to the crown court conducting "a rehearing in the full and proper sense". If it was to be a rehearing in that sense, Mr Glen submitted that it must follow that the burden of proof on the appeal was the same as on the original hearing.
28. Mr Glen cited a number of other authorities for the proposition that an appeal against a licensing decision has long been recognised to be a rehearing. It is not necessary to refer to them, because it is not in dispute that the appeal is a rehearing at which the affected parties are all entitled to call evidence, and that the court must make its decision on the full material before it. The issue is what is the proper approach to the original decision and, in particular, the reasons given for it. Mr Glen did not submit that they should be disregarded. He accepted that the court hearing the appeal could properly take into consideration the reasons given by the licensing authority, but not to the point of placing a legal burden on the appellant.
29. Mr Glen submitted that the district judge went wrong in attaching too much significance to a sentence from a judgment of Lord Goddard CJ in *Stepney Borough Council v Joffe* (1949) 1 KB 599 cited by Edmund Davies LJ in *Sagnata Investments Limited v Norwich Corporation*. In *Sagnata Investments Limited v Norwich Corporation* an application was made under the Betting Gaming and Lotteries Act 1967 for a permit to open an amusement arcade in Norwich. The application was refused by the local authority and the applicant appealed to quarter sessions. The recorder who heard the appeal had written reasons for the refusal furnished by the town clerk and evidence of witnesses on both sides as to the merits of the

application. He did not have any information about what had happened before the licensing committee. He allowed the appeal. The local authority appealed to the Divisional Court (whose judgment is not reported) and then to the Court of Appeal (Lord Denning MR, Edmund Davies and Phillimore LJ). Its appeal was dismissed by the majority, Lord Denning dissenting. Lord Denning considered that the local authority was entitled to its opinion that it was socially undesirable to have such arcades in Norwich and that the recorder was wrong to substitute his view for those of the elected body responsible for making such decisions.

30. The majority considered that the recorder had been entitled to conclude that the local authority had effectively decided that it would not grant any permit under the Act for an amusement place in Norwich and that there was no error of law in his decision to allow the appeal. Edmund Davies LJ, at page 633, quoted Lord Denning in the course of argument as summarising the issue in this way:

"Is the hearing to be treated as a new trial to be determined on evidence de novo, without being influenced by what the local authority has done; or is the hearing to be treated as an appeal proper, in which the local authority's decision is to be regarded as of considerable weight, and is not to be reversed unless their decision is shown to be wrong?"

31. Edmund Davies LJ considered that this was a false antithesis. From the reasons which he gave for preferring an intermediate position, he must have understood the second of Lord Denning's alternatives ("an appeal proper") as confined to deciding whether the local authority's decision was wrong in law on the material before it. He went on to say, at page 636:

"The provision for an appeal to quarter sessions seems to me largely, if not entirely, "illusory" if the contention of the appellant council is right. If it is, I am at a loss to follow how the recorder set about discharging his appellate functions. Lacking all information as to what had happened before the local authority, save the bare knowledge that they had refused the application and their written grounds for refusal, he would be powerless, as I think, to make any effective examination of the validity of those reasons."

32. Edmund Davies LJ expressed his conclusion as follows:

"...I hold that the proceedings before this recorder were by way of a complete rehearing.

But, contrary to what has been contended, this conclusion does *not* involve that the views earlier formed by the local authority

have to be entirely disregarded by quarter sessions. It is true that in *Godfrey v Bournemouth Corporation* [1969] 1 WLR 47, after observing that an appeal to quarter sessions under schedule 6 to this same Act was by way of a complete rehearing, Lord Parker CJ said, at p 52, "the discretion is a discretion which the recorder in the present case had to arrive at himself uninfluenced by what the local authority had done". But with respect, I do not accept this. It went much too far, it was in direct conflict with the view which Lord Parker had earlier expressed in *R v Essex Quarter Sessions, ex parte Thomas* [1966] 1 WLR 359-363, it was contrary to the approach adopted both by the recorder and by Lord Parker CJ himself in the instant case, and it was, with deference, an uncalled-for observation. Here again, *Stepney Borough Council v Joffe* [1949] 1 KB 599 establishes what I regard as the proper approach, for, having made the point that there was in that case an unrestricted appeal, Lord Goddard CJ continued at pp 602, 603:

"That does not mean to say that the court of appeal, in this case the metropolitan magistrate, ought not to pay great attention to the fact that the duly constituted and elected local authority have come to an opinion on the matter, and ought not lightly, of course, to reverse their opinion. It is constantly said (although I am not sure that it always sufficiently remembered) that the function of a court of appeal is to exercise its powers when it is satisfied that the judgment below is wrong, not merely because it is not satisfied that the judgment was right."

Phillimore LJ's judgment was to similar effect.

33. Mr Glen observed that that case was one in which the local authority's decision had been based on a general policy, and that it was therefore right for the recorder to attach weight to the local authority's policy, although he still had to form his own judgment on the evidence whether a permit should be granted. The decision, he submitted, provided no support for taking a similar approach where (as the licensing sub-committee recognised in the present case) no question of licensing policy was involved. The core question in this case was whether the noise caused by the customers of the Endurance amounted to a public nuisance, and this was a matter for the EHCS to establish on the evidence called before the district judge.

The council's submissions

34. Mr Matthias QC submitted that Burton J was right in his approach to *Stepney Borough Council v Joffe* and *Sagnata Investments Limited v Norwich Corporation* and his dismissal of the appellant's claim. Burton J said in his judgment:

"43. I conclude that the words of Lord Goddard approved by Edmund Davies LJ are very carefully chosen. What the appellate court will have to do is to be satisfied that the judgment below "is wrong", that is to reach its conclusion on the basis of the evidence put before it and then to conclude that the judgment below is wrong, even if it was not wrong at the time. That is what this district judge was prepared to do by allowing fresh evidence in, on both sides.

44. The onus still remains on the claimant, hence the correct decision that the claimant should start, one that cannot be challenged as I have indicated.

45. At the end of the day, the decision before the district judge is whether the decision of the licensing committee is wrong. Mr Glen has submitted that the word "wrong" is difficult to understand, or, at any rate, insufficiently clarified. What does it mean? It is plainly not "*Wednesbury* unreasonable" because this is not a question of judicial review. It means that the task of the district judge – having heard the evidence which is now before him, and specifically addressing the decision of the court below – is to give a decision whether, because he disagrees with the decision below in the light of the evidence before him, it is therefore wrong."

35. Mr Matthias submitted that as a matter of principle, as well as precedent, there are good reasons why the magistrates' court should pay great attention to the decision of the licensing authority and should only allow an appeal if satisfied, on the evidence before it, that the decision was wrong. He pointed out that Parliament had chosen to make the local authority central to the promotion in its area of the licensing objectives set out in the Act, because local councillors are accountable to the local electorate and are expected to be sensitive to the needs and concerns of the local populace. In licensing matters there is often no single "right answer". Mr Matthias pointed to the conditions which the licensing authority attached to the licence on the review in the present case as an example. The ban imposed on customers taking drink from the premises in an open container after 6pm might equally have been imposed somewhat earlier or somewhat later. It is normal for an appellant to have to show that the order challenged was wrong. The only unusual feature about this type of appeal is that all parties have *carte blanche* to call evidence. It does not, however, follow that the respondent to the appeal should bear the responsibility of showing that the order should be upheld and so should be required to present its case first.

36. On the article 6 issue, Mr Matthias's propositions may be paraphrased as follows:

1. The decision of the licensing authority was an administrative decision, which admittedly involved a determination of the appellant's "civil rights" within the meaning of article 6, as it has been interpreted in the European case law.
2. The extent to which article 6 requires such a decision to be subject to review by an independent and impartial tribunal depends greatly on the nature of the decision. Article 6 is an important expression of the rule of law, but the rule of law itself allows proper scope for democratic process in administrative decision making.
3. Administrative decisions often involve making judgments and assessing priorities on matters of social and economic policy. It accords with democratic principles for such decisions to be taken primarily by democratically accountable bodies. The power of the High Court in judicial review proceedings to review the legality of such decisions and the procedures followed is sufficient to ensure compatibility with article 6.
4. Some administrative decisions, although not necessarily involving wide issues of policy, call for particular knowledge or experience on the part of the decision maker. Often such decisions will involve an evaluative judgment and the exercise of discretion. In such cases, too, the availability of judicial review in the High Court is sufficient to meet the requirements of article 6. It would be perverse if article 6 were to require a full fact-finding appeal to a tribunal which lacked the degree of knowledge and expertise of the original decision maker.
5. There may be cases where an administrative decision does not depend on what may be described as democratic questions (questions of local or national policy, such as belong to the political forum), but which depends essentially on a question of fact requiring no special knowledge or experience on the part of the decision maker. In such a case article 6 may require that an aggrieved person whose civil rights are determined by the decision should be entitled to have it reviewed by a tribunal whose power includes whatever factual review is necessary for justice to be done.
6. There is nothing in domestic or Strasbourg case law to suggest that there is a general principle that it is incompatible with article 6 for a person aggrieved by an administrative decision to bear the responsibility of establishing his complaint.

37. Mr Matthias's concession that article 6 is engaged in the present case followed from the decision in *Kingsley v The United Kingdom* (2002) 35 [EHRR 10](#), paragraph 34, where it was held that article 6 is engaged in proceedings which determine whether or not an individual is entitled to undertake licensable activities. For his other submissions he cited a number

of authorities including particularly *R (Alconbury Developments Limited) v Secretary of State for the Environment, Trade and the Regions* [2001] UKHL 23, [2003] 2 AC 295, *Runa Begum v Tower Hamlets London Borough Council* [2003] UKHL 5, [2003] 2 AC 430, *Tsfayo v United Kingdom* 48 EHRR 47, [2007] LGRI, and *Ali v Birmingham City Council* [2010] UKSC 8, [2010] 2 AC 39.

38. Mr Matthias submitted that in this case the appellant's right of appeal to the district judge amply satisfied the requirements of article 6.

Conclusion

39. Since Mr Glen accepted (in our view rightly) that the decision of the licensing authority was a relevant matter for the district judge to take into consideration, whether or not the decision is classified as "policy based", the issues are quite narrow. They are:

1. How much weight was the district judge entitled to give to the decision of the licensing authority?
2. More particularly, was he right to hold that he should only allow the appeal if satisfied that the decision of the licensing authority was wrong?
3. Was the district judge's ruling compliant with article 6?

40. We do not consider that it is possible to give a formulaic answer to the first question because it may depend on a variety of factors - the nature of the issue, the nature and quality of the reasons given by the licensing authority and the nature and quality of the evidence on the appeal.

41. As Mr Matthias rightly submitted, the licensing function of a licensing authority is an administrative function. By contrast, the function of the district judge is a judicial function. The licensing authority has a duty, in accordance with the rule of law, to behave fairly in the decision-making procedure, but the decision itself is not a judicial or quasi-judicial act. It is the exercise of a power delegated by the people as a whole to decide what the public interest requires. (See the judgment of Lord Hoffmann in *Alconbury* at para 74.)

42. Licensing decisions often involve weighing a variety of competing considerations: the demand for licensed establishments, the economic benefit to the proprietor and to the locality by drawing in visitors and stimulating the demand, the effect on law and order, the impact on the lives of those who live and work in the vicinity, and so on. Sometimes a licensing decision may involve narrower questions, such as whether noise, noxious smells or litter coming from premises amount to a public nuisance.

Although such questions are in a sense questions of fact, they are not questions of the "heads or tails" variety. They involve an evaluation of what is to be regarded as reasonably acceptable in the particular location. In any case, deciding what (if any) conditions should be attached to a licence as necessary and proportionate to the promotion of the statutory licensing objectives is essentially a matter of judgment rather than a matter of pure fact.

43. The statutory duty of the licensing authority to give reasons for its decision serves a number of purposes. It informs the public, who can make their views known to their elected representatives if they do not like the licensing sub-committee's approach. It enables a party aggrieved by the decision to know why it has lost and to consider the prospects of a successful appeal. If an appeal is brought, it enables the magistrates' court to know the reasons which led to the decision. The fuller and clearer the reasons, the more force they are likely to carry.
44. The evidence called on the appeal may, or may not, throw a very different light on matters. Someone whose representations were accepted by the licensing authority may be totally discredited as a result of cross-examination. By contrast, in the present case the district judge heard a mass of evidence over four days, as a result of which he reached essentially the same factual conclusions as the licensing authority had reached after five hours.
45. Given all the variables, the proper conclusion to the first question can only be stated in very general terms. It is right in all cases that the magistrates' court should pay careful attention to the reasons given by the licensing authority for arriving at the decision under appeal, bearing in mind that Parliament has chosen to place responsibility for making such decisions on local authorities. The weight which the magistrates should ultimately attach to those reasons must be a matter for their judgment in all the circumstances, taking into account the fullness and clarity of the reasons, the nature of the issues and the evidence given on the appeal.
46. As to the second question, we agree with the way in which Burton J dealt with the matter in paragraphs 43-45 of his judgment.
47. We do not accept Mr Glen's submission that the statement of Lord Goddard in *Stepney Borough Council v Joffe*, applied by Edmund Davies LJ in *Sagnata Investments Limited v Norwich Corporation* is applicable only in a case where the original decision was based on "policy considerations". We doubt whether such a distinction would be practicable, because it involves the unreal assumption that all decisions can be put in one of two boxes, one marked policy and the other not. Furthermore, *Stepney Borough Council v*

Joffe was not itself a case where the original decision was based on "policy considerations". In that case three street traders had their licences revoked by the London County Council after they were convicted of selling goods at prices exceeding the maximum fixed by statutory regulations. On appeal the magistrate decided that they were still fit to hold the licences. The county council unsuccessfully argued before the Divisional Court that the magistrate's jurisdiction was limited to considering whether or not there was any material on which the council could reasonably have arrived at its decisions to revoke the licences. The court held that the magistrate's power was not limited to reviewing the decision on the ground of an error of law, but that he was entitled to review also the merits. It was in that context that Lord Goddard went on to say that the magistrate should, however, pay great attention to the decision of the elected local authority and should only reverse it if he was satisfied that it was wrong.

48. It is normal for an appellant to have the responsibility of persuading the court that it should reverse the order under appeal, and the Magistrates Courts Rules envisage that this is so in the case of statutory appeals to magistrates' courts from decisions of local authorities. We see no indication that Parliament intended to create an exception in the case of appeals under the Licensing Act.
49. We are also impressed by Mr Matthias's point that in a case such as this, where the licensing sub-committee has exercised what amounts to a statutory discretion to attach conditions to the licence, it makes good sense that the licensee should have to persuade the magistrates' court that the sub-committee should not have exercised its discretion in the way that it did rather than that the magistrates' court should be required to exercise the discretion afresh on the hearing of the appeal.
50. As to article 6, we accept the propositions advanced by Mr Matthias and we agree that the form of appeal provided by s182 and schedule 5 of the Act amply satisfies the requirements of article 6.
51. Although the point is academic in the present case, we doubt the correctness of part of the district judge's ruling where he said:
- "I am not concerned with the way in which the licensing sub-committee approached their decision or the process by which it was made. The correct appeal against such issues lies by way of judicial review."
52. Judicial review may be a proper way of mounting a challenge to a decision of the licensing authority on a point of law, but it does not follow that it is the only way. There is no such express limitation in the Act, and the power

given to the magistrates' court under s181(2) to "remit the case to the licensing authority to dispose of it in accordance with the direction of the court" is a natural remedy in the case of an error of law by the authority. We note also that the guidance issued by the government under s182 and laid before Parliament on 28 June 2007 states in para 12.6:

"The court, on hearing any appeal, may review the merits of the decision on the facts and consider points of law or address both."

However, this point was not the subject of any argument before us.

53. For the reasons which we have given, the appeal is dismissed.

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All England Official Transcripts (1997-2008)

Daniel Thwaites plc v Wirral Borough Magistrates' Court

Licensing - Licence - Application for licence - Guidance issued by Secretary of State as to discharge of functions under legislation - Licensing authority granting licence - Local objectors appealing to magistrates' court - Magistrates' court imposing restrictions - Whether restrictions necessary to promote licensing objective - Whether magistrates' court having proper regard to guidance - Whether decision of magistrates' court lawful - Licensing Act 2003, s 4

[2008] EWHC 838 (Admin), CO/5533/2006, (Transcript: Wordwave International Ltd (A Merrill Communications Company))

QUEEN'S BENCH DIVISION (ADMINISTRATIVE COURT)

BLACK J

10 MARCH, 6 MAY 2008

6 MAY 2008

This is a signed judgment handed down by the judge, with a direction that no further record or transcript need be made pursuant to Practice Direction 6.1 to Pt 39 of the Civil Procedure Rules (formerly RSC Ord 59, r (1)(f), Ord 68, r 1). See Practice Note dated 9 July 1990, [1990] 2 All ER 1024.

D MW Pickup for the Claimant

The Defendant did not appear and was not represented

D Flood for the First Interested Party

M Copeland for the Second Interested Party

Naphens plc; Kirwans; Wirral MBC

BLACK J:

[1] This is an application by Daniel Thwaites plc ("the Claimant") for judicial review of a licensing decision made by the Wirral Magistrates' Court ("the Magistrates' Court") on 5 April 2006 and that court's decision on 21 April 2006 concerning the costs of the proceedings. The Claimant seeks an order quashing both decisions. Permission to apply for judicial review was granted by Pitchford J on 2 November 2006.

THE FACTUAL BACKGROUND

[2] The Claimant owns the Saughall Hotel in Saughall Massie, Wirral which it operates as licensed premises ("the premises"). It originally held a licence under the Licensing Act 1964. In June 2005, it commenced an application to the Licensing Sub-Committee of the Metropolitan Borough of Wirral ("the licensing authority")

for the existing licence to be converted to a premises licence under the Licensing Act 2003 and for the licence to be varied simultaneously.

[3] In essence, the Claimant was seeking to conduct business at the premises for longer hours than were permitted under the original licence. The police did not support the extension of the hours to the extent that the Claimant initially proposed. The Claimant agreed to restrict the hours to those that were acceptable to the police. Accordingly, the licensing authority was asked to grant a licence that would permit music and dancing to 11pm and alcohol sales until midnight on all nights except Friday and Saturday and, on Friday and Saturday nights, music and dancing to midnight and alcohol sales until 1pm, with the doors closing one hour after the last alcohol sale every night.

[4] The police withdrew their representations against the modified proposals and did not appear before the licensing authority when the matter was heard on 23 August 2005. No representations were made by the Wirral Environmental Health Services either. However, there was opposition to the proposals at the hearing from the Saughall Massie Conservation Society ("the First Interested Party") and other Saughall Massie residents.

[5] The Claimant told the licensing authority at the hearing that the hours of operation at the premises would not vary significantly from the existing hours of operation and that the application for extended hours was to allow flexibility to open later "on special occasions" This was a matter of which the licensing authority took note as is recorded in the minutes of their determination.

[6] The licence was granted in the modified terms requested together with an additional hour for licensable activities and an extra 30 minutes for the hours the premises were to be open to the public over Christmas and at the major bank holidays. Special arrangements were also permitted for New Year's Eve. The licensing authority removed certain conditions that had been imposed on the old licence (requiring all alcohol to be consumed within 20 minutes of the last alcohol sale and banning children under 14 from the bar) and imposed other conditions which were obviously aimed at controlling noise, namely that the area outside must be cleared by 11pm, that the premises must promote the use of taxi firms which use a call-back system, that all doors and windows must be kept closed when regulated entertainment was provided and that prominent notices should be placed on the premises requiring customers to leave quietly.

[7] The Saughall Massie Conservation Society and "others" appealed against the licensing decision to the Magistrates' Court on the ground that the licensing authority's decision "was not made with a view to promotion of and in accordance with the licensing objectives pursuant to s 4, Pt 2 of the Licensing Act 2003".

[8] The appeal occupied the Magistrates' Court from 3 - 5 April 2006. The Respondents to the appeal were the licensing authority and the Claimant which both defended the licensing authority's decision. Witnesses were called including Saughall Massie residents, Police Sergeant Yehya who dealt with the stance of the Merseyside police, and Mr Miller, the manager of the premises.

[9] The justices granted the appeal. Their Reasons run to three pages of typescript, one page of which is entirely taken up with setting out the new hours of operation they imposed. These permitted entertainment until 11pm and alcohol sales until 11.30pm on all nights except Friday and Saturday when entertainment would be permitted until 11.30pm and alcohol sales until midnight. The premises could remain open to the public until midnight on all nights except Friday and Saturday when they could close at 1am. Similar provisions were imposed to those imposed by the licensing authority in relation to later opening at Christmas and major bank holidays and the provisions relating to New Year's Eve and the conditions of the licence remained unaltered.

[10] The new licence had come into effect on 24 November 2005 so the new arrangements had been running for several months by the time of the hearing before the Magistrates' Court. There had been no formal or recorded complaints against the premises under the old or the new regime as the justices acknowledged in their Reasons. The residents who gave evidence were fearful of problems if the extended hours were allowed in the summer. The Chairman of the Conservation Society, who gave oral evidence, spoke of people urinating in the gardens and a problem with litter. It appears from the statement filed by the Chairman of the Bench for these judicial review proceedings that evidence was also given of interference with machinery on nearby Diamond Farm. The justices' Reasons make no reference at all to these matters. As to the statements of the "Witnesses of the Appellant", they say simply that they have read and considered them but attached little or no weight to them.

[11] The justices and their legal advisor have filed a considerable amount of material in response to the judicial review proceedings, in all 31 closely typed pages. These comprise their Response to the Claim, statements from Alistair Beere (who was the chairman of the bench), Mary Woodhouse (another of the bench) and Stephen Pickstock (the legal advisor), and what is said in the index to be a document by Mr Beere from which he prepared his statement. There was limited argument before me as to the status of these documents and the weight that I should give to them. It was not submitted that I should decline to have *any* regard to them although I think it is fair to say that it was common ground between the parties, rightly in my view, that I should concentrate principally on the Reasons. It is established by authorities such as *R v Westminster City Council ex parte Ermakov* [1996] 2 All ER 302, 95 LGR 119, [1996] 2 FCR 208 that the court can admit evidence to elucidate or, exceptionally, correct or add to the reasons given by the decision maker at the time of the decision but that it should be very cautious about doing so. The function of such evidence should generally be elucidation not fundamental alteration, confirmation not contradiction. In the circumstances, I have read carefully what the magistrates have provided but approached its role in the judicial review proceedings cautiously.

THE BROAD NATURE OF THE CLAIM IN RELATION TO THE LICENSING DECISION

[12] The Claimant argues that the Magistrates' Court decision is unlawful for a number of reasons. It is argued that the decision was not in line with the philosophy of the Licensing Act 2003 ("the Act") and imposed restrictions on the Claimant's operation which were not necessary to promote the licensing objectives set out in that Act, that it was based on speculation rather than evidence, that it took into account irrelevant considerations and failed to take into account proper considerations, and that it was a decision to which no properly directed Magistrates' Court could have come on the evidence. In so far as the court imposed conditions as to the time at which the premises must close, it is submitted that this was not a matter which can be regulated under the Act. It is further argued that the magistrates failed to give adequate reasons for their decision.

THE LEGAL BACKGROUND

[13] The Licensing Act 2003 was intended to provide a "more efficient" "more responsive" and "flexible" system of licensing which did not interfere unnecessarily. It aimed to give business greater freedom and flexibility to meet the expectations of customers and to provide greater choice for consumers whilst protecting local residents from disturbance and anti-social behaviour.

[14] Note 12 of the explanatory notes to the Act gives an indication of the approach to be taken under the Act. It reads:

"12 In contrast to the existing law, the Act does not prescribe the days or the opening hours when alcohol may be sold by retail for consumption on or off premises. Nor does it specify when other licensable activities may be carried on.

Instead, the Applicant for a premises licence or a club premises certificate will be able to choose the days and the hours during which they wish to be authorised to carry on licensable activities at the premises for which a licence is sought. The licence will be granted on those terms unless, following the making of representations to the licensing authority, the authority considers it necessary to reject the application or vary those terms for the purpose of promoting the licensing objectives."

[15] Section 1 of the Act provides:

"S1(1) For the purposes of this Act the following are licensable activities -

- (a) the sale by retail of alcohol,
- (b) [clubs]
- (c) the provision of regulated entertainment, and
- (d) the provision of late night refreshment."

[16] To carry on a licensable activity, a premises licence granted under Pt 3 of the Act is generally required, s 2. Application for a premises licence must be made to the relevant licensing authority, s 17(1).

[17] By virtue of s 4, the licensing authority must carry out all its functions under the Act (including its functions in relation to determining an application for a premises licence or an application for a variation of a premises licence) with a view to promoting the "licensing objectives". These are set out in s 4 as follows:

"S4(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."

[18] In carrying out its licensing functions, by virtue of s 4(3) the licensing authority must also have regard to its licensing statement published under s 5 and any guidance issued by the Secretary of State under s 182.

[19] Section 182 obliges the Secretary of State to issue guidance to licensing authorities on the discharge of their functions under the Act. Guidance was issued in July 2004 ("the Guidance"). It was updated in June 2007 but it is the original guidance that is relevant in this case. In any event, none of the changes made are material to the issues I have to determine.

[20] The Foreword says that the Guidance:

"is intended to aid licensing authorities in carrying out their functions under the 2003 Act and to ensure the spread of best practice and greater consistency of approach. This does not mean we are intent on eroding local discretion. On

the contrary, the legislation is fundamentally based on local decision-making informed by local knowledge and local people. Our intention is to encourage and improve good operating practice, promote partnership and to drive out unjustified inconsistencies and poor practice."

[21] As the Guidance says in para 1.7, it does not replace the statutory provisions of the Act or add to its scope. Paragraph 2.3 says:

"Among other things, section 4 of the 2003 Act provides that in carrying out its functions a licensing authority must have regard to guidance issued by the Secretary of State under section 182. The requirement is therefore binding on all licensing authorities to that extent. However, it is recognised that the Guidance cannot anticipate every possible scenario or set of circumstances that may arise and so long as the Guidance has been properly and carefully understood and considered, licensing authorities may depart from it if they have reason to do so. When doing so, licensing authorities will need to give full reasons for their actions. Departure from the Guidance could give rise to an appeal or judicial review, and the reasons given will then be a key consideration for the courts when considering the lawfulness and merits of any decision taken."

[22] An application to the licensing authority for a premises licence must be accompanied by an operating schedule in the prescribed form including a statement of the matters set out in s 17(4) which are as follows:

- "(a) the relevant licensable activities,
- (b) the times during which it is proposed that the relevant licensable activities are to take place,
- (c) any other times during which it is proposed that the premises are to be open to the public,
- (d) where the Applicant wishes the licence to have effect for a limited period, that period,
- (e) where the relevant licensable activities include the supply of alcohol, prescribed information in respect of the individual whom the Applicant wishes to have specified in the premises licence as the premises supervisor,
- (f) where the relevant licensable activities include the supply of alcohol, whether the supplies are proposed to be for consumption on the premises or off the premises, or both,
- (g) the steps which it is proposed to take to promote the licensing objectives,
- (h) such other matters as may be prescribed."

[23] Section 18 deals with the determination of an application for a premises licence. Section 35 deals in very similar terms with the determination of an application to vary a premises licence. It will be sufficient only to set out here the provisions of s 18.

[24] Section 18(2) provides that, subject to sub-s (3), the authority must grant the licence in accordance with the application subject only to:

- "(a) such conditions as are consistent with the operating schedule accompanying the application, and
- (b) any conditions which must under section 19, 20 or 21 be included in the licence."

[25] Section 19 deals with premises licences which authorise the supply of alcohol. Such licences must include certain conditions ensuring that every supply of alcohol is made or authorised by a person who holds a personal licence and that no supply of alcohol is made when there is no properly licensed designated premises supervisor. Sections 20 and 21 are not relevant to this claim.

[26] Section 18(3) provides that where relevant representations are made, the authority has certain specified obligations. In so far as is relevant to this appeal "relevant representations" are defined in s 18(6) as follows:

"(6) For the purposes of this section, 'relevant representations' means representations which -

(a) are about the likely effect of the grant of the premises licence on the promotion of the licensing objectives,

(b) meet the requirements of sub-section (7),

(c) . . ."

[27] Sub-section (7) provides:

"(7) The requirements of this subsection are -

(a) that the representations were made by an interested party or responsible authority within the period prescribed under section 17(5)(c),

(b) that they have not been withdrawn, and

(c) in the case of representations made by an interested party (who is not also a responsible authority), that they are not, in the opinion of the relevant licensing authority, frivolous or vexatious."

[28] Where relevant representations are made, the authority must hold a hearing to consider them unless the authority, the Applicant and each person who has made representations agrees that a hearing is unnecessary. By virtue of s 18(3)(b), the authority must also "(b) having regard to the representations, take such of the steps mentioned in sub-section (4) (if any) as it considers necessary for the promotion of the licensing objectives."

[29] Section 18(4) provides:

"(4) The steps are -

(a) to grant the licence subject to -

(i) the conditions mentioned in sub-section (2)(a) modified to such extent as the authority considers necessary for the promotion of the licensing objectives, and

(ii) any condition which must under section 19, 20 or 21 be included in the licence;

(b) to exclude from the scope of the licence any of the licensable activities to which the application relates;

(c) to refuse to specify a person in the licence as the premises supervisor;

(d) to reject the application."

[30] Conditions are modified for the purposes of sub-s (4)(a)(i) if any of them is altered or omitted or any new condition is added.

[31] During the currency of a premises licence, by virtue of s 51, an interested party (broadly speaking, a local resident or business) or a responsible authority (police, fire, environmental health etc) may apply to the relevant licensing authority for a review of the licence on a ground which is relevant to one or more of the licensing objectives. By virtue of s 52, a hearing must be held to consider the application and any relevant representations and the authority must take such steps from a specified list as it considers necessary for the promotion of the licensing objective. The steps range from modifying the conditions of the licence to suspending it or revoking it completely.

[32] The Act makes provision in Pt 5 for "permitted temporary activity" which, loosely speaking, is a form of ad hoc licensing to cover licensable activities which are not covered by a more general licence. The system involves proper notification of an event to the licensing authority and the police. Provided the applicable number of temporary event notices has not been exceeded and the police do not intervene, the event is automatically permitted. Temporary event notices can only be given in respect of any particular premises 12 times in a calendar year and the period for which each event lasts must not exceed 96 hours.

[33] Section 181 provides for appeals to be made against decisions of the licensing authority to a Magistrates' Court which is, of course, how the decisions in relation to which judicial review is sought in this case came to be made.

THE DETAIL OF THE CLAIM

[34] The Claimant submits that in making its decision to allow the appeal in relation to the premises licence, the Magistrates' Court failed in a number of respects to take account of the changes that the new licensing regime has made and failed to adopt the approach required by the Act. It is further submitted that the magistrates failed properly to consider and take into account the Guidance.

[35] There is no doubt that the Guidance is relevant in the magistrates' decision making. As I have set out above, s 4(3) requires the licensing authority to "have regard" to the Guidance. By extension, so must a Magistrates' Court dealing with an appeal from a decision of the licensing authority. The Guidance says:

"10.8 In hearing an appeal against any decision made by a licensing authority, the Magistrates' Court concerned will have regard to that licensing authority's statement of licensing policy and this Guidance. However, the court would be entitled to depart from either the statement of licensing policy or this Guidance if it considered it is justified to do so because of the individual circumstances of any case."

[36] Mr Pickup submits that although the Guidance is not binding and local variation is expressly permitted, it should not be departed from unless there is good reason to do so.

[37] Mr Flood for the First Interested Party submits that the Guidance simply serves to provide information for the magistrates and provided that they have had regard to it, that is sufficient. He also points out that, in

some respects (as is clear from the wording of the Guidance), the Guidance is a statement of Government belief rather than proved fact. Inviting attention to the judgment of Beatson J in *J D Weatherspoon plc v Guildford Borough Council* [2006] EWHC 815 (Admin), [2007] 1 All ER 400, [2006] LGR 767, he identifies that different policy elements in the Guidance may pull in different directions in a particular case, flexibility and customer choice potentially conflicting with the need to prevent crime and disorder. He submits that provided that the magistrates consult the Guidance, they do not need to use it as "a decision making matrix that the deciding Court has to sequentially address in making its decision in the manner it would if considering a section of a statute".

[38] There is no doubt that regard must be had to the Guidance by the magistrates but that its force is less than that of a statute. That is common ground between the parties. The Guidance contains advice of varying degrees of specificity. At one end of the spectrum, it reinforces the general philosophy and approach of the Act. However, it also provides firm advice on particular issues, an example being what could almost be described as a prohibition on local authorities seeking to engineer staggered closing times by setting quotas for particular closing times. I accept that any individual licensing decision may give rise to a need to balance conflicting factors which are included in the Guidance and that in resolving this conflict, a licensing authority or Magistrates' Court may justifiably give less weight to some parts of the Guidance and more to others. As the Guidance itself says, it may also depart from the Guidance if particular features of the individual case require that. What a licensing authority or Magistrates' Court is not entitled to do is simply to *ignore* the Guidance or fail to give it any weight, whether because it does not agree with the Government's policy or its methods of regulating licensable activities or for any other reason. Furthermore, when a Magistrates' Court is entitled to depart from the Guidance and justifiably does so, it must, in my view, give proper reasons for so doing. As para 2.3 of the Guidance says in relation to the need for licensing authorities to give reasons:

"When [departing from the Guidance], licensing authorities will need to give full reasons for their actions. Departure from the Guidance could give rise to an appeal or judicial review, and the reasons given will then be a key consideration for the courts when considering the lawfulness and merits of any decision taken."

This is a theme to which the Guidance returns repeatedly and is a principle which must be applicable to a Magistrates' Court hearing an appeal as it is to a licensing authority dealing with an application in the first instance. I agree with Mr Flood for the First Interested Party that the magistrates did not need to work slavishly through the Guidance in articulating their decision but they did need to give full reasons for their decision overall and full reasons for departing from the Guidance if they considered it proper so to do.

[39] In this case, Mr Pickup submits that proper attention to the Guidance would have helped the magistrates to come to a correct and reasonable decision and that they have failed to adhere to it without proper reason and failed to carry out their licensing function in accordance with the Act.

[40] The foundation of the Claimant's argument is that the Act expects licensable activities to be restricted only where that is *necessary* to promote the four licensing objectives set out in s 4(2). There can be no debate about that. It is clearly established by the Act and confirmed in the Guidance. For example, in the Act, s 18(3)(b), dealing with the determination of an application for a premises licence, provides that where relevant representations are made the licensing authority must "take such of the steps mentioned in sub-s (4) (if any) as it considers necessary for the promotion of the licensing objectives" (the steps in sub-s (4) include the grant of the licence subject to conditions). Section 34(3)(b), dealing with the determination of an application to vary a premises licence, is in similar terms. The Guidance repeatedly refers, in a number of different contexts, to the principle that regulatory action should only be taken where it is *necessary* to promote the licensing objectives. In particular, it clearly indicates that conditions should not be attached to premises licences unless they are necessary to promote the licensing objectives, see for example para 7.5 and also para 7.17 which includes this passage:

"Licensing authorities should therefore ensure that any conditions they impose are only those which are necessary for the promotion of the licensing objectives, which means that they must not go further than what is needed for that

purpose."

[41] The Guidance also refers a number of times to the need for regulation to be "proportionate". This is not a term contained in the Act but if a regulatory provision is to satisfy the hurdle of being "necessary", it must in my view be confined to that which is "proportionate" and one can understand why the Guidance spells this out.

[42] Mr Pickup submits, and I accept, that the Act anticipates that a "light touch bureaucracy" (a phrase used in para 5.99 of the Guidance) will be applied to the grant and variation of premises licences. He submits that this means that unless there is evidence that extended hours will adversely affect one of the licensing objectives, the hours should be granted. A prime example of this arises when an application for a premises licence is made and there are no relevant representations made about it. In those circumstances, s 18(2) obliges the licensing authority to grant the licence and it can only impose conditions which are consistent with the operating schedule submitted by the Applicant. Mr Pickup says that such a light touch is made possible, as the Guidance itself says, by providing a review mechanism under the Act by which to deal with concerns relating to the licensing objectives which arise following the grant of a licence in respect of individual premises. He invites attention also to the existence of other provisions outside the ambit of the Act which provide remedies for noise, for example the issue of a noise abatement notice or the closure of noisy premises under the Anti-Social Behaviour Act 2003. The Guidance makes clear that the existence of other legislative provisions is relevant and may, in some cases, obviate the need for any further conditions to be imposed on a licence. Paragraph 7.18 from the section of the Guidance dealing with attaching conditions to licences is an illustration of this approach:

"7.18 It is perfectly possible that in certain cases, because the test is one of necessity, where there are other legislative provisions which are relevant and must be observed by the Applicant, no additional conditions at all are needed to promote the licensing objectives."

[43] The Guidance includes a section dealing with hours of trading which the Claimant submits further exemplifies the philosophy of the Act. It begins with para 6.1 which reads "This Chapter provides guidance on good practice in respect of any condition imposed on a premises licence or club premises certificate in respect of hours of trading or supply."

[44] It continues:

"6.5 The Government strongly believes that fixed and artificially early closing times promote, in the case of the sale or supply of alcohol for consumption on the premises, rapid binge drinking close to closing times; and are a key cause of disorder and disturbance when large numbers of customers are required to leave premises simultaneously. This creates excessive pressures at places where fast food is sold or public or private transport is provided. This in turn produces friction and gives rise to disorder and peaks of noise and other nuisance behaviour. It is therefore important that licensing authorities recognise these problems when addressing issues such as the hours at which premises should be used to carry on the provision of licensable activities to the public.

6.6 The aim through the promotion of the licensing objectives should be to reduce the potential for concentrations and achieve a slower dispersal of people from licensed premises through longer opening times. Arbitrary restrictions that would undermine the principle of flexibility should therefore be avoided. We will monitor the impact of the 2003 Act on crime and disorder and the other licensing objectives. If necessary in the light of these findings, we will introduce further legislation with the consent of Parliament to strengthen or alter any provisions."

[45] The Claimant submits that in imposing shorter hours than it requested for the supply of alcohol and for entertainment, the magistrates went beyond that which was necessary for these premises and failed to take into account that, as the Guidance explains, longer opening times would in fact reduce the potential for problems arising from licensed premises whereas curtailing operations could run counter to the licensing

objectives.

[46] The magistrates' Reasons record their acceptance that there had been no reported complaint in regard to public nuisance and that the extended hours had operated without any incidents. The magistrates also record in the Reasons, as I have already said, that they had attached little or no weight to the statements from witnesses of the Appellant. Nothing is said about difficulties mentioned in evidence by the witnesses. As it was clearly incumbent on the magistrates at least to advert in broad terms to those matters that they took into account, it is fair to conclude in the circumstances that they proceeded upon the basis that there was no reliable evidence of actual problems linked to the premises either under the old licence or under the new revised licence. This was in line with the oral evidence of Police Sergeant Yehya (as recorded in the rather truncated notes of the legal advisor):

"1. reported incident for the site. No other incidents or complaints have been received. There are none in my file. There are no incidents we can directly link to the Saughall Hotel since previously open. There have been incidents locally but not linked to these premises."

[47] To judge by the Reasons therefore, what led the magistrates to impose restricted hours of operation was their forecast as to what would occur in the future in association with the premises, notwithstanding the absence of reliable evidence of past problems. The First Interested Party observes that the manager of the premises had given evidence that he intended in the summer to "make hay while the sun shines" and submits, correctly in my view, that the magistrates were entitled to take this apparent change of emphasis into account. However, Mr Flood further submits that the evidence of what had happened in the winter months was therefore of "little evidential value" in determining what was likely to happen in the future and I cannot wholly agree with him about this. Undoubtedly the fact that the Claimant intended in future to make more use of the extended hours reduced the value of the premises' past record as a predictor of the future but it could not, in my view, be completely discarded by the magistrates. They still had to take into account that there had been extended hours for some months without apparent problems.

[48] It is plain that the magistrates' particular concern was "migration" rather than problems generated by those coming directly to the premises for their evening out. Under the heading "The Four Licensing Objectives", they say that they accept that there have been no formal or recorded complaints against the premises "but feel that because of the concept of migration that public nuisance and crime and disorder would be an inevitable consequence of leaving the hours as granted by the Local Authority". Under the heading "Migration/Zoning" they begin:

"The Saughall Hotel due to its location and the fact that a number of license premises in the surrounding area have reduced hours to that of the Saughall Hotel we believe that as a consequence of this would be that customers would migrate from these premises to the Saughall Hotel. [sic]"

and end:

"We appreciate that the extended hours have been in operation for several months without any incidents but have taken into consideration this was during the Winter months and inevitable numbers will increase in the Summer causing nuisance/criminality."

[49] They reiterate their concern under the heading "Nuisance (Existing/Anticipated)" saying that they "feel that public nuisance will be inevitable".

[50] The Claimant complains that the magistrates' treatment of the issue of "migration" was fundamentally flawed on a number of grounds.

[51] Firstly, it submits that there was no evidence on which the magistrates could find that customers *would* come to the premises when other premises in the vicinity closed or cause trouble and their concerns were no more than inappropriate speculation. The Claimant's position was that there was no evidence of migration to their premises. There were no recorded complaints of any kind about the premises let alone specifically about migration. Ms Lesley Spencer who lives opposite the premises and is the Secretary of the Saughall Massie Conservation Society gave evidence of her fear that customers would migrate but said that she did not think there had been any migration.

[52] Apart from their own local knowledge, the only material on which the magistrates could possibly have formed their views about migration was what Police Sergeant Yehya said in evidence. According to the legal advisor's notes, whilst being cross-examined by Mr Kirwan, the sergeant gave evidence about the other licensed premises operating in the vicinity (which I have seen marked on a local map and which were within walking distance of the premises) and their closing hours and said that there were three assaults each week at one of the premises. The legal advisor records that he also said:

"We have staggered closing. This could cause problems it has the potential to cause difficulties in the area. I have a list of considerations but none would rank as high as crime, not even noise. No complaints have been made to me even regarding noise. One concern was dispersal. We gave people one hour to disperse and therefore reduced from 2.00am to 1.00am. 1.00am closing at 2. 280 people leaving premises. Other premises subject to high levels of crime *migration not an issue.*" [my italics]

[53] I appreciate that this evidence acknowledged that staggered closing *could* cause problems but, had migration been a significant issue as opposed to a mere possibility, one can, I think, assume that the police would have made representations on that score, particularly given that they had plainly considered the impact of trading hours specifically and *had* initially objected to the even longer hours originally proposed by the Claimant. It is noteworthy that even when they were in opposition to the plans, it was never on the basis of migration of disruptive characters from other licensed premises and always simply on the basis of late noise from ordinary customers of the premises dispersing. The absence of police objections before either the licensing authority or the Magistrates' Court seems to have surprised the magistrates who said so in their Reasons, commenting "We were surprised that the Police originally objected to the application but withdrew that objection after a slight variation of the terms." In so saying, they convey, in my view, not only their surprise about the Police approach but also their disagreement with it.

[54] It was not open to the magistrates, in my view, to elevate what Sergeant Yehya said in the witness box to evidence that a problem with migration could reasonably be expected, nor do they say anything in their reasons which suggests that they did rely on his evidence in this way. The only concerns about migration were therefore the magistrates' own with perhaps some fears expressed by local residents though not on the basis of firm historical examples of migration to the premises.

[55] It is clear from the Guidance that drawing on local knowledge, at least the local knowledge of local licensing authorities, is an important feature of the Act's approach. There can be little doubt that local magistrates are also entitled to take into account their own knowledge but, in my judgment, they must measure their own views against the evidence presented to them. In some cases, the evidence will require them to adjust their own impression. This is particularly likely to be so where it is given by a responsible authority such as the police. They must also scrutinise their own anxieties about matters such as noise and other types of public nuisance particularly carefully if the responsible authorities raise no objections on these grounds. These magistrates did recognise the absence of police objections which caused them surprise and they chose to differ from the police in reliance on their own views. The Claimant submits that in so doing they departed into the realms of impermissible speculation not only in concluding that there would be migration but also in concluding that in this case it would generate nuisance and disorder. The First Interested Party is correct in submitting that the Guidance accepts a link between migration and a potential breach of the licensing objectives but it is also clear from the Guidance that each case must be decided on its individual facts so the magistrates could not simply assume that if people came from other premises, there would be

trouble.

[56] The Claimant complains that the magistrates' treatment of the migration issue also flies in the face of the Guidance because firstly it was an improper attempt to implement zoning and secondly it ignored the general principle of longer opening hours.

[57] Zoning is the setting of fixed trading hours within a designated area so that all the pubs in a given area have similar trading hours. The problem created by it, as demonstrated by experience in Scotland, is that people move across zoning boundaries in search of pubs opening later and that causes disorder and disturbance. The Guidance says, at para 6.8:

"The licensing authority should consider restricting the hours of trading only where this is necessary because of the potential impact on the promotion of the licensing objectives from fixed and artificially-early closing times."

It stresses that above all, licensing authorities should not fix predetermined closing times for particular areas.

[58] I am not convinced that the magistrates' limiting of the Claimant's operational hours can properly be described as implementing zoning which, in my view, is a term that is more appropriate to describe a general policy imposed by a licensing authority for a defined area than an individual decision of this type, albeit made with reference to the opening hours of other premises in the vicinity and having the effect of imposing the same hours as those premises.

[59] What has more weight, however, is the Claimant's submission that the magistrates failed to give proper weight to the general principle of later opening hours and to the intention that the approach to licensing under the Act would be to grant the hours sought for the premises unless it was necessary to modify them in pursuit of the licensing objectives. The Reasons include a heading "Flexibility" under which the magistrates say simply "We have considered the concept of Flexibility." In so saying, they may be referring to the sort of flexibility to which reference is made, for example, in para 6.6 of the Guidance (see above) but their shorthand does not enable one to know to what conclusions their consideration of the concept led them in this case nor whether they had reliably in mind that the starting point should be that limitations should not be imposed upon the licence sought unless necessary to promote the licensing objectives rather than that the licensing authority or the court should form its own view of what was necessary for the premises and only grant that.

[60] The Claimant was seeking to have the freedom to open later on certain occasions when the trade justified it or, as the magistrates put it, "the application for extended hours was to allow *flexibility* to open later on certain occasions". As the First Interested Party would submit, the magistrates may have inferred from Mr Miller's comment about making hay that the premises would *often* be open late rather than this happening only infrequently in accordance with the picture presented to the licensing authority. If this was their inference, however, it is odd that they considered that the Claimant could deal with the position by applying for a temporary certificate because this would have allowed the premises to open later on only a limited number of occasions. They make no express finding in their Reasons as to the frequency on which they considered the Claimant intended to keep the premises open late. This was material not only to the degree of disturbance that might be caused generally by late opening but also specifically to the issue of whether there would be migration. It would seem unlikely that customers from nearby pubs would bother to walk or even drive to the Saughall Hotel in search of another drink at the end of their evenings unless the Saughall Hotel was open late sufficiently frequently to lead them to a reasonable expectation that their journey would be worthwhile.

[61] The magistrates' comment about the temporary certificate also seems to me to be an example of a

failure by them to adopt the lighter approach that the Act dictated and to allow flexibility to those operating licensed premises unless the licensing objectives required otherwise. Temporary certificates would be a cumbersome and restricted means of achieving flexibility, not responsive to the day to day fluctuations in business, only available a limited number of times, and not in line with the philosophy of the Act.

[62] There is no consideration in the magistrates' decision of whether the imposition of conditions to control noise or other nuisance (which were going to be imposed) would be sufficient to promote the licensing objectives without reducing the operating hours of the premises. Given that the Act dictates that only such steps as are necessary should be taken with regard to the variation of the terms of operation sought, such consideration was required.

MY OVERALL CONCLUSIONS

[63] It would be wrong, in my judgment, to say that the magistrates failed to take account of the licensing objectives. At the outset of their Reasons, they correctly identify those which are relevant. Similarly, as the First Interested Party submits, whilst they did not *articulate* that the curtailment of the hours sought was "necessary" to promote those objectives, it is implied in their decision that they did take this view and it can also be inferred from their comment that because of the concept of migration, public nuisance and crime and disorder would be "an inevitable consequence" of leaving the hours as granted by the Local Authority. However, in my view their approach to what was "necessary" was coloured by a failure to take proper account of the changed approach to licensing introduced by the Act. Had they had proper regard to the Act and the Guidance, they would have approached the matter with a greater reluctance to impose regulation and would have looked for real evidence that it was required in the circumstances of the case. Their conclusion that it was so required on the basis of a risk of migration from other premises in the vicinity was not one to which a properly directed bench could have come. The fact that the police did not oppose the hours sought on this basis should have weighed very heavily with them whereas, in fact, they appear to have dismissed the police view because it did not agree with their own. They should also have considered specifically the question of precisely how frequently the premises would be likely to be open late and made findings about it. They would then have been able to compare this to the winter opening pattern in relation to which they accepted there had been no complaints and draw proper conclusions as to the extent to which the summer months would be likely to differ from the winter picture. Having formed a clear view of how frequently late opening could be anticipated, they would also have been able to draw more reliable conclusions about the willingness of customers from further afield to migrate to Saughall Massie. They proceeded without proper evidence and gave their own views excessive weight and their resulting decision limited the hours of operation of the premises without it having been established that it was necessary to do so to promote the licensing objectives. In all the circumstances, their decision was unlawful and it must be quashed.

[64] I have said little so far about what appears in the magistrates' response for the judicial review proceedings. The various documents comprising the response did nothing to allay my concerns about the magistrates' decision. Indeed quite a lot of what was said reinforced my view that the magistrates had largely ignored the evidence and imposed their own views. They refer in their response to incidents about which the residents had given evidence and to the residents not having complained formally for various reasons, for example because it was Christmas or because there was thought to be no point. If the magistrates considered these matters to be relevant, it was incumbent on them to say so clearly in their reasons whereas they there recorded their acceptance that there had been no formal or recorded complaints, that the extended hours had been in operation for several months without incidents and that they had attached little or no weight to the statements of the witnesses of the Appellant. They also refer extensively in their response to their thoughts on migration, including that people may come from further afield than the pubs in the vicinity in cars. Particularly concerning is that they refer repeatedly to a perceived issue over police resources which is not something that, as far as I can see, had been raised by Sergeant Yehya or explored with him in evidence. Mr Beere says in his statement for example, ". . . there is also the question of Police resources and

their ability to effectively police this area especially at weekends with already stretched resources being deployed in Hoylake."

[65] Reference is made in the response documents to the court feeling that the Brewery's proposed opening hours contradicted the acceptable activities of a family pub and that the Saughall Hotel is "a village pub and not a night spot in the centre of town". For the court to take matters such as this into account seems to me to be an interference with the commercial freedom of the premises of a type that was not permissible under the Act unless it was necessary to promote the licensing objectives. I appreciate that the magistrates' response seems to suggest that they feared that a different type of customer was being courted or would invite themselves once it got too late for families but this does not seem to have been founded on anything that was given in evidence so was really not much more than speculation.

[66] Mr Beere's statement ends with a reference to the Brewery wanting to make hay while the sun shines, of which he says, "I believe that this statement was indicative of the Brewery's attitude to local residents and to the general management of the premises." Given that problems with or in the vicinity of the premises had been almost non-existent and that the magistrates had not seen fit to make reference in their Reasons to any difficulties caused by the Hotel, it is hard to see how this belief could be justified but it does perhaps exemplify the approach of the magistrates.

[67] I have considered quite separately the argument as to whether the hours of opening can be regulated as part of the licensing of premises as opposed to the hours during which licensable activities take place. It was suggested during argument that there was no power to regulate the time by which people must leave the premises. I cannot agree with this. Clearly keeping premises open (as opposed to providing entertainment or supplying alcohol there) is not a licensable activity as such. However, the operating schedule which must be supplied with an application for a premises licence must include a statement of the matters set out in s 17(4) and these include not only the times when it is proposed that the licensable activities are to take place but also "any other times during which it is proposed that the premises are to be open to the public". On a new grant of a premises licence, where there are no representations the licensing authority has to grant the application subject only to such conditions as are consistent with the operating schedule. I see no reason why, if it is necessary to promote the licensing objectives, these conditions should not include a provision requiring the premises to be shut by the time that is specified in the operating schedule. If representations are made and the licensing authority ultimately grants the application, it can depart from the terms set out in the operating schedule when imposing conditions in so far as this is necessary for the promotion of the licensing objectives. It must follow that it can impose an earlier time for the premises to be locked up than the Applicant wished and specified in its operating schedule. It is important to keep in mind in this regard that the role of the licensing authority and, if there is an appeal, the court, has two dimensions: the fundamental task is to license activities which require a licence and the associated task is to consider what, if any, conditions are imposed on the Applicant to ensure the promotion of the licensing objectives. A requirement that the premises close at a particular time seems to me to be a condition just like any other, such as keeping doors and windows closed to prevent noise. I see no reason why a condition of closing up the premises at a particular time should not therefore be imposed where controlling the hours of the licensable activities on the premises (and such other conditions as may be imposed) is not sufficient to promote the licensing objectives.

THE COSTS ARGUMENT

[68] In the light of my conclusion that the magistrates' decision is unlawful and therefore must be quashed, it is not appropriate for me to consider the arguments in relation to their costs order further. The Appellants had given an undertaking to the Licensing Authority that they would not seek costs against the Licensing Authority and they sought the entirety of their costs of the appeal from the Claimant. The magistrates granted that order and the Claimant submits that that was not an order that was open to them. Whatever the merits of that argument, the magistrates' order in relation to costs cannot now stand. The basic foundation for the

order for costs was that the appeal had succeeded and the Claimant had lost. That position has now been overturned and the costs order must go along with the magistrates' main decision. The magistrates would have had no reason to grant costs against the Claimant if the appeal had been dismissed.

Appeal dismissed.

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