



### **Policy Brief**

# **Alcohol licensing**

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## **Summary**

The sale of alcohol is governed by the Licensing (Jersey) Law 1974. This provides for seven categories of licence. The law sets out opening hours, providing, for example, that pubs must close at 11:00pm. Applications for licences are decided by the Licensing Assembly comprising the Bailiff and jurats. Authority to grant extensions rests with the Bailiff.

The Attorney General had issued guidance saying he would refer a publicensee to the Licensing Assembly if the licensee was pursuing advertising practices or promotions that were intended to increase the consumption of alcohol. The practices included promotions such as happy hours and two for one offers. There were no such restrictions on off licences. At the request of the Attorney General, the JCRA reviewed the guidance. It noted that Jersey's on-licence pricing restrictions are unique. Its conclusions included that "stakeholder feedback, economic theory and market outcomes all suggest they restrict competition" and that "high prices in the on-licence sector are likely to lead to a shift away from onlicence to off-licence consumption". The Guidance was withdrawn with effect from 30 May 2025.

Discussions on reform began in 2009 and have included a number of policy papers, strategies and reviews, but few changes have been made.

The <u>Strategy for the Visitor Economy</u>, published in December 2023, identified as priorities reviewing the licensing law and developing an event strategy and appropriate legislation.

On 23 December 2024 the Government published a consultation document on proposed amendments to the licensing law. The main proposed changes are to replace the current Licensing Assembly with a dedicated Regulatory Authority, a move to three categories of licence - onlicence, off-licence and temporary licence, bringing alcohol policy under Government and States Assembly oversight and updating the policy on drinks promotion and minimum pricing.

On 20 May 2025 the Government published a summary of the consultation responses and its response. Generally, the proposals were supported and it is intended to bring forward legislation to implement changes later in 2025. The withdrawal of the guidance on drinks promotions could be done immediately as no change in the law was required.

The draft law as published on 8 December 2025 and will be considered by the States Assembly in 2026.

# The legal position on selling alcohol

The law governing alcohol is the Licensing (Jersey) Law 1974.

Section 2 provides for seven categories of licence (the short descriptions are taken from the Voisin's Law website) -

First Category (Taverners) Licence: usually held by public houses and permits alcohol sales to members of the public, but also allows offsales until 9 pm.

Second Category (Residential) Licence: held only by hotels and restricts alcohol sales to hotel residents and their bona fide guests.

Third Category (Restaurant) Licence: permits alcohol sales with meals (or to non-diners if seated at a table and meals are available).

Fourth Category (Comprehensive) Licence: usually held by large hotels, this is a composite of the First, Second, Third and Seventh categories.

Fifth Category (Club) Licence: held by private members clubs and restricts alcohol sales to members and their bona fide quests.

Sixth Category (Off) Licence: permits alcohol sales for consumption off the premises and is generally held by shops. This is the only licence which can be held for different premises by the same person.

Seventh Category (Entertainment) Licence: holders include theatres and cinemas as well as nightclubs.

The law stipulates permitted opening times. For the taverners licence these are 9:00am to 11:00pm on weekdays and 11:00am to 11:00pm on Sundays, Good Friday and Christmas Day.

Applications are considered by the Licensing Assembly which is defined in the law as "the Assembly of the Governor, Bailiff and Jurats". In practice the Governor is not involved.

Section 5.1 of the Law provides that -

Every application for the grant of a licence shall, before being submitted to the Licensing Assembly, be considered by the Parish Assembly of the parish concerned, and the Parish Assembly shall recommend to the Licensing Assembly whether or not the application should be granted.

Section 6 gives the Assembly considerable discretion -

- (11) The Licensing Assembly, in deciding whether or not an application should be granted or whether a licence of a category different from that for which application is made should be granted, shall have regard to but shall not be bound by, the recommendation of the Parish Assembly.
- (12) The Licensing Assembly may attach to any licence such conditions as, having regard to all the circumstances of the case may seem desirable, including, in particular, the designation of any bar as a public bar.
- (13) Notwithstanding any other provision of this Law on the grant of a licence in respect of premises which comprise, or include, an area of land to which a chose publique permit relates, the Licensing Assembly may, in relation to that area of land –

- (a) restrict the permitted hours specified in this Law in relation to the category of licence;
- (b) vary any of the general conditions relating to on-licences specified in Article 12; or
- (c) attach such further conditions as, having regard to all the circumstances of the case, seem desirable.

Section 23 provides for the inspection of premises -

(1) Where application is made for the grant of a licence, the Connétable of the parish concerned shall request the Chief Fire Officer, the Chief Public Health Inspector and any other competent person of the Connétable's choice to inspect the premises to which the application relates and to furnish the Connétable with a report in writing on the state and condition of the premises, particular mention being made of sanitary conveniences and precautions against fire and for the safety of persons in the case of fire, in sufficient time for the report to be submitted to the Parish Assembly at which the application will be considered.

Section 89 gives the Bailiff discretion to grant extensions to normal licensing hours –

- (1) The Bailiff may, if in his or her discretion the Bailiff thinks fit
  - (a) grant to the holder of an on-licence a special permit authorizing the holder of the on-licence, on any special occasion, to sell intoxicating liquor by retail for consumption on the licensed premises and to keep the premises open to the public during the hours (being hours outside the hours authorized by the licence) specified in the permit;
    - (b) grant to the holder of an on-licence a special permit authorizing the holder of the on-licence, on the occasion of any race meeting, public fête, sporting event, agricultural, horticultural or commercial exhibition or social meeting, to sell intoxicating liquor by retail during the hours and at the place specified in the permit for consumption during those hours and at that place.

# The Attorney General's guidance on promotions

An unusual feature of the licensing regime in Jersey has been the <u>Attorney General's Guidance on Drinks Pricing and Promotions</u>, the most recent version of which is dated December 2019. Article 9(1) of the Licensing Law provides that –

Whenever the Attorney General is of the opinion that any matter relating to a licence should be referred to the Licensing Assembly, the Attorney General may submit such matter to the Assembly and in any

such case the Assembly shall consider the matter and, having regard to all the circumstances of the case, may suspend or revoke the licence in relation to which the submission is made or may attach thereto such conditions as may seem desirable.

The guidance explained what criteria the Attorney General would use in deciding to refer a matter to the Licensing Assembly. It was guidance but was taken to have the force of law. The guidance stated that the Attorney General "will have no hesitation in referring a licensee to the Licensing Assembly if presented with evidence that a licensee has or is pursuing advertising practices or drinks promotions which are intended to or may have the effect of encouraging consumers to increase their consumption of alcohol." The guidance applied only to on-licences. The practices referred to included –

- Any promotion that results in one or more alcoholic drinks being offered for sale at a price below the relevant stated price on the displayed tariff, for example buy one get one free, lower prices at certain times of the day or week and loyalty card schemes.
- If the stated prices on the tariff are significantly below those generally charged in other premises, the starting point being that a difference of 10% or more is likely to be considered significant.
- Any advertisements by 7th category licence holders which concentrate exclusively or substantially on the sale of alcohol and which make no mention or little mention of the provisions of entertainment.

In respect of off-licences a referral to the licensing assembly is likely if the sale price of any alcoholic drink is below £0.65 per unit of alcohol. The requirements on promotions do not apply to off-licences, so supermarkets and other retailers are free to make promotional offers.

In 2021 the Attorney General asked the Jersey Competition Regulatory Authority (JCRA) to undertake a market study of the impact of the guidance "on drinks pricing and promotions on the Alcohol market on Jersey." The terms of reference stated that the study "will consider the economic impact of the Guidance and how it may affect competition and consumers."

The JCRA published Alcohol Pricing and Promotions Market Study Findings and recommendations in March 2022. This was accompanied by a <u>report</u> by the consultants Frontier Economics.

The JCRA recommendations are set out below –

The findings of the market study with respect to the on-licence trade restrictions included in the Guidance are as follows:

- Jersey's on-licence pricing restrictions are unique. Stakeholder feedback, economic theory and market outcomes all suggest they restrict competition.
- High prices in the on-licence sector are likely to lead to a shift away from on-licence to off-licence consumption. This is a trend identified by stakeholders and is consistent with economic theory, and the weight of econometric evidence from other countries.
- There are relatively higher on-licence prices on Jersey. This suggests the removal of pricing restrictions and responsible use of promotions could encourage competition and benefit consumers.
- There are other features of the on-licence trade that might also have an impact on competition. This includes tied relationships and exclusive wholesale supply deals.
- Inconsistencies in the way the Guidance is applied could impact the level playing field in the on-licence market.

The guidance was withdrawn on 30 May 2025.

## **History of reform proposals**

For many years several aspects of the current arrangements have been subject to criticism on three main grounds –

- 1. They are unduly restrictive.
- 2. The procedures are bureaucratic.
- 3. Powers in respect of licensing rests with the Bailiff and jurats rather than elected politicians.

A timeline of proposals for reform was published in the *Bailiwick Express* on 23 April 2024.

2019 – The first licensing law consultation took place
2012 – Shadow Alcohol Licensing Policy Group (SALPG) formed
January 2014 – Alcohol and Licensing Strategy for Jersey launched
September 2014 – Report on the Alcohol and Licensing Strategy
published, including the draft of a new law with six licensing objectives
February 2016 – New Liquor Licensing Law consultation launched.
June 2017 – Assistant Economic Development Minister Constable Steve
Pallett lodged a proposition for a new law in which the current Licensing
Bench is replaced by monthly hearings from a Licensing Authority
composed of a committee of seven States Members and three lay people
(similar to a Planning Committee).

March 2018 – the Draft Liquor Licensing (Jersey) Law, "a decade in the making", is withdrawn over concerns not enough work had been done to scrutinise the legislation and stakeholders were "less than unanimous".

November 2018 – now Senator Steve Pallett says there is "no progress" on a new law and no resources to continue the work

**October 2020** – still Senator Pallett sets up a task and finish group to develop... another new draft law which he insists is "not a return to square one"

**October 2020** – States Members approve Deputy Lindsay Ash's proposition to allow 'happy hour' and 'buy one get one free' promotions on drinks for a period of 15 months to stimulate the post COVID-19 economy. However, this progressed no further

**September 2021** – Jersey's competition watchdog was asked to review the rules banning drink promotions like 'happy hours' at the request of the Attorney General

March 2021 – The Jersey Competition Regulatory Authority published a report into the impact of alcohol pricing and drinks promotions on pubs, bars and nightclubs, as well as off-licenses on the island. It said that restrictions on alcohol prices should be scrapped, and introducing responsible drinking promotions could help attract more customers. However, two local nightclub owners said that scrapping minimum alcohol prices and introducing 'happy hour' drinks promotions may do more harm than good for some businesses.

**October 2022** – Deputy Kirsten Morel publishes his Ministerial Plan which announces another review to ensure the law is 'fit for purpose' and enable new and existing businesses, entrepreneurs and social enterprises to operate efficiently within the sector

**April 2023** – Deputy Kirsten Morel promises The Licensing Law review will follow the conclusion of the Visitor Economy Strategy and the Barriers to Business Review.

**December 2023** – Publication of the Visitor Economy Strategy and the Barriers to Business review.

**April 2024** – Deputy Kirsten Morel reaffirms his commitment to updating the licensing law as part of our ongoing work to lower barriers to business.

The 2014 <u>Licensing law policy paper</u> analysed the major issues, but it was discursive in nature and made few recommendations. Among the issues considered were -

- Revisions to the categories of licences.
- The composition of the Licensing Assembly with the suggestion that it should sit only with a presiding judge and two jurats.
- A possible limitation of licence numbers, which was not supported.
- The easing of restrictions on when young people could be on licensed premises.
- The need for a policy on extension of licences.
- Policy on drinks promotion and minimum pricing.

• Special events.

In September 2014 the Council of Ministers published the <u>Alcohol and licensing strategy for Jersey</u>. The objectives section is set out below -

The prime purpose of this strategy is therefore to reduce the harm caused by alcohol misuse; a purpose that recognises that many people who drink alcohol do not misuse alcohol.

Our six key objectives, which are the same as those set out in the Licensing Law (Section 2), are:

- the reduction of alcohol related crime and disorder
- the protection of public safety
- the prevention of public nuisance
- the improvement and protection of public health
- the protection of children from alcohol related harm
- supporting the local economy

We want our strategy to:

- 1. reduce the high levels of alcohol consumed in Jersey
- 2. reduce young people's drinking and their access to alcohol
- 3. help those who want to drink less
- 4. reduce the rates of alcohol related offences and protect those at risk of those offences including: domestic violence, assault, public disorder and drink driving.

And in doing so, we want to

- 5. support business through an equitable and transparent licensing system
- 6. ensure any mechanism for controlling the consumption and availability of alcohol are evidence based, proportionate and do not unnecessarily penalise businesses or sensible drinkers.

The paper set out a two phase approach for a new licensing law -

Phase 1: A draft Framework Licensing Law has been completed and will be lodged for debate by the States following consideration by the new Minister for Economic Development. It will provide for:

- six licensing objectives
- amended licensing categories
- the introduction of personal licences
- conditions of licences
- licence renewal period
- the roles and responsibilities of statutory consultees

- the responsibility of the Alcohol and Licensing Policy Group who will provide direction, in the form of statement of licensing policy, to the Licensing Assembly
- appeals process for the Licensing Assembly

Phase 2: Once the draft Framework Licensing Law has been adopted, subordinate legislation will be brought before the States for debate. This subordinate legislation will:

- establish restrictions associated with each of the amended licensing categories (e.g.: operating hours)
- set out transitional arrangements from the old categories to the new categories
- set out a fee structure
- establish transitional arrangement from the old to the new licensing scheme.

The section concluded with the following comment -

The Council of Ministers are very aware that the development of the draft licensing law has been subject to significant delay. This two phased approach will minimise any further delays. At the same time it will ensure that the licensing trade, and other interested parties, have more time to consider and comment on the operating details, and associated restrictions, of each of the licensing categories.

The paper included a draft law.

In the event no progress was made and the draft law was eventually withdrawn.

In October 2020, States Members approved Deputy Lindsay Ash's proposition to allow "happy hour" and "buy one get one free" promotions on drinks for a period of 15 months to stimulate the post COVID-19 economy. However, this progressed no further.

On 3 April 2023 the Minister for Sustainable Economic Development, in a letter to a Scrutiny Panel chair, indicated that -

- He was generally supportive of the JCRA's recommendations on pricing and promotions "and will work with the sector through development of the visitor economy strategy to determine which recommendations we should move ahead with as part of the policy development and law drafting process."
- He expected to be in a position by the end of 2023 or early 2024, to make a decision on whether the Licensing (Jersey) Law requires amendments or even whether a new law needs to be drafted.

- "The review will be partly informed by the Visitor Economy Strategy which is itself being developed in close collaboration with stakeholders. Any amendments to the law will of course involve extensive consultation with stakeholders including the industry, Bailiff's Chambers, Comité des Connétables and Scrutiny."
- "At this stage it is not possible to give a definitive date on legislative changes, this will be contingent on the scale of amendments and updates to the law and on the resources available from the legislative drafting office."

The <u>Strategy for the Visitor Economy</u>, published in December 2023, commented on the Licensing Law -

It is also recognised that the Licensing (Jersey) Law 1974 requires review, and the Unlawful Public Entertainment (Jersey) Regulations are no longer fit for purpose. Successive governments have been unsuccessful in their attempts to update these despite extensive consultation, leading to frustration within industry. There is also a need to ensure these reflect new and emerging business models and enable them to trade in keeping with changing customer expectations (e.g. for pop-up businesses, off-site trade and events).

#### The December 2024 consultation

On 23 December 2024 the Government published a consultation document <u>Proposed amendments to Licensing (Jersey) Law 1974</u>. Comments were invited by 26 January 2025.

The main proposed changes in the consultation are:

- replace the current Licensing Assembly with a dedicated Regulatory Authority appointed by, and answerable to, the Minister, whilst retaining a role for the parishes
- delegate the responsibilities of a Regulatory Authority to an existing regulator with the optimal choice being the Jersey Gambling Commission
- move to 3 categories of licence:
  - on-licence
  - off-licence
  - temporary licence
- introduce the ability to customise terms of each licence on a caseby-case basis, and remove the need for multiple licences on a single premises
- update the powers for both the Police and Fire services
- bringing alcohol policy under Government and States Assembly oversight and updating the policy on drinks promotion and minimum pricing

On the specific issue of drinks promotions the consultation document does not propose any changes but rather states that –

If, as is proposed, the Licensing Assembly is replaced by a Regulatory Authority then the mechanism for controlling policy relating to drinks promotions and minimum pricing would move to the Minister.

This consultation proposes that the Alcohol Policy Ministerial Group, of which the Minister is Chair and the Attorney General is a member, would commission an Alcohol Licensing Policy to include guidance on drinks promotions, advertising and minimum pricing. The policy would inform the work of the Regulatory Authority.

## Response to the consultation

On 20 May 2025 the <u>Consultation summary and response</u> was published. The executive summary is set out below –

The Minister for Sustainable Economic Development committed to bringing forward amendments to the Licensing (Jersey) Law 1974 (the "Law") during this term of Government as a key action from the 2023 Visitor Economy Strategy, and as part of a wider Government commitment to remove unnecessary bureaucracy. This public consultation on the proposed amendments, held between December 2024 and January 2025, received a total of 103 responses from individuals, organisations and businesses.

The proposed amendments were in five sections, as set out in the Green Paper:

Section A: licensing decision-making organisations. Respondents broadly agreed with the proposal to move licensing approval to a regulatory authority, with varied views on whether the Gambling Commission should exercise this function, and broad agreement that the parishes should continue to be involved in the process. The Licensing Assembly will be reconstituted as the Court of Appeal.

The proposed amendments will set out a simplified process with a single point of contact for all applications, to a recommendation from the Parish Connétable included in the application. As a result, the scope, governance and name of the Gambling Commission will also be revised.

Section B: licence categories. Respondents agreed with the proposal to move to three licence types: an on-licence with bespoke conditions, an off-licence and a special events alcohol licence.

Section C: licence conditions. The introduction of Licence Manager Registration Scheme was supported, along with other changes, including the term of the licence; the process of notification of licence manager absences from the Island; the ability to hold licences for multiple premises; residency requirements; and the need to keep a physical copy of the licence on the premises. As result of the supportive responses to sections B and C, the proposed changes will be pursued as set out in the Green Paper.

Section D: Emergency Services and enforcement powers. There was broad agreement with the proposals to allow for the Regulatory Authority to issue directions and civil financial penalties, review and if necessary - suspend or revoke licences where, for example, the condition of a licence has been contravened. There was also support for the introduction of the power for States of Jersey Police to issue temporary closure orders, and for the Police and Fire Service to be able to refer matters to the Regulatory Authority where significant concerns arise.

As a result of consultation, Regulatory Authority powers will be included as proposed, and it is intended that powers of closure are extended to Chefs de Police. Expected changes to Fire Precautions Legislation will also affect the proposed amendments as this separate legislation will supersede the need for certain powers to sit in the Licensing Law.

Section E: miscellaneous proposals. There was broad agreement with proposals to relax restrictions on minimum pricing and drinks promotions, with alcohol policy to be set by a Ministerial Oversight Group, and support for the establishment of a central, interoperable register. There was, however, disagreement with the removal of the requirement to display pricing. As a result, amendments will be progressed but retain the requirement for prices to be made readily available to customers.

Amendments will be brought to the States Assembly for debate in late 2025.

#### The draft law

On 8 December 2025 the <u>Draft Alcohol Licensing (Jersey) Law 202-</u> was published. In addition to the draft law the report to the Assembly includes a summary of the history of the issue and of the proposed new law. The report identifies five key changes.

1. Responsibility for policy guidance would move from the Attorney General and Licensing Assembly to the Government and States Assembly.

This would be led by an Alcohol Policy Ministerial Group. This group would develop an Alcohol Policy Framework for the Island including, but not limited to guidance to the Commission on subjects such as:

- Opening and closing times
- Drinks promotions and minimum pricing
- The definition of a fit and proper person
- Public health considerations
- 2. Reduce the complexity and time involved in the application process. The draft Law creates a single point of contact for applicants via the Alcohol and Gambling Commission with the Commission responsible for providing notification and feedback on applications to the other relevant stakeholders. Other simplifications have also been made to the display of pricing, restrictions on visitor accommodation premises, removing the requirement to renew licences annually and simplifying the requirements on prior residency for licensees and licence managers.
- 3. Preserve and enhance the role of the Parishes. Parishes will continue to be part of the applications process in the same way as they are now. This will continue to include the submission of applications to Parish Assemblies, interviews of prospective licence managers and licensees by the Parish and policing powers for the Honorary Police. The draft Law will also add new powers for Parishes to deal with licensing matters promptly and proportionately.
- 4. The draft Law retains the role of the States of Jersey Police and Honorary Police in helping to ensure public safety. An important power which has been copied from the Gambling Law is the ability for the Commission to issue Directions. These are issued by the Commission and may require a licensee to undertake a particular action within a designated timeframe.
- 5. The draft Law would reduce the current system of seven categories of licence down to just two (on-licence and off-licence) removing the need for premises to hold multiple licences. A new category of licence for events, known as a Special Events Alcohol Licence, will also be established. This will require a single licence, held by the event organiser or other appropriate person, which will cover the sale of alcohol by all the approved vendors at an event.

The draft law now has to be considered by the Assembly.