

The Highland Licensing Board

Meeting – 12 May 2026

Agenda Item	9.1
Report No	HLB/47/26

Premises licence review hearing

Review application under section 36(1) of the Licensing (Scotland) Act 2005

Merkinch Store & Post Office, 1-3 Lochalsh Road, Inverness, IV3 8HU

Report by the Clerk to the Licensing Board

Summary

This report relates to a premises licence review hearing under section 38 of the Licensing (Scotland) Act 2005 following submission to the Board of a premises licence review application under section 36(1) of the Act.

1. Background

- 1.1 An application has been received under section 36 of the Licensing (Scotland) Act 2005 from Police Scotland for a review of the existing premises licence for the premises known as Merkinch Store & Post Office, 1-3 Lochalsh Road, Inverness. The premises licence HC/INBS/517 is held by V&C Shops Limited.
- 1.2 The review application, dated 23 April 2026, is appended to this report (**Appendix 1**).

The alleged grounds for review and the information considered by the review applicant to support these grounds are as set out in the review application. In terms of section 36(6) of the Act, the Clerk to the Board is satisfied that the review application is neither frivolous nor vexatious and that it discloses matters relevant to one or more of the alleged grounds for review, which is one of the statutory grounds for review. A premises licence review hearing is accordingly necessary.

- 1.3 The Licensing Standards Officer for the area in which the premises are situated has been sent a copy of the review application in accordance with section 38(3) of the Act and has submitted a report on it which is also appended (**Appendix 2**).
The Board must take this report into account at the hearing.

- 1.4 The premises licence holder has also been sent a copy of the review application. The premises licence holder, a representative from Police Scotland and the Licensing Standards Officer have been invited to attend the hearing. They have been advised of the hearing procedure which will be followed at the meeting and which may also be viewed via the following link:

http://highland.gov.uk/hlb_hearings

2. Legal position

2.1 Grounds for review

- 2.1.1 The statutory grounds for review of a premises licence are set out in subsections 36(3)(za) to (b) of the Act. They are-

36(3)(za) that, having regard to the licensing objectives, the licence holder is not a fit and proper person to be the holder of a premises licence,
36(3)(a) that one or more of the conditions to which the premises licence is subject has been breached, or
36(3)(b) any other ground relevant to one or more of the licensing objectives.

- 2.1.2 For the purposes of the Act, the licensing objectives are-

(a) preventing crime and disorder,
(b) securing public safety,
(c) preventing public nuisance,
(d) protecting and improving public health, and
(e) protecting children and young persons from harm.

- 2.1.3 Where the ground alleged in the review application is that specified in subsection 36(3)(za), the application must include a summary of the information on which the applicant's view that the alleged ground applies is based.

Where the ground alleged is that specified in subsection 36(3)(a), the application must include notice of the condition or conditions alleged to have been breached.

Where the ground alleged is that specified in subsection 36(3)(b), the application must include notice of the licensing objective or objectives to which the alleged ground of review relates.

These requirements have been met in the review application.

2.2 The Board's powers in respect of the premises licence

2.2.1 In terms of section 39(1) of the Act, at a premises licence review hearing the Board may, if satisfied that a ground for review is established (whether or not on the basis of any circumstances alleged in the premises licence review application considered at the hearing), decide

- to take no action, or
- to take such of the steps mentioned in section 39(2) of the Act as the Board consider necessary or appropriate for the purposes of any of the licensing objectives.

2.2.2 Those steps are-

- (a) to issue a written warning to the licence holder
- (b) to make a variation of the licence for such period as the Board may determine,
- (c) to suspend the licence for such period as the Board may determine,
- (d) to revoke the licence

2.2.3 However, this is subject to the requirement in section 39(2A) that where the Board are satisfied that the ground for review specified in subsection 36(3)(za) is established (i.e. the ground that the licence holder is not a fit and proper person to hold the licence), the Board must revoke the licence.

2.2.4 A revocation under section 39(2A) takes effect at the end of the period of 28 days beginning with the day on which the Board makes the decision, unless the revocation is recalled by the Board. It must be recalled if the Board either grants an application under s33 for the transfer of the premises licence, or grants a premises licence variation application seeking a variation which the Board considers would remove the ground on which the licence was revoked under section 39(2A). The transfer or variation application must be received within the 28-day period, but the Board may then extend the 28-day period pending determination of the application.

2.2.5 Should the Board make a variation under section 39(2)(b) or suspend the licence under section 39(2)(c), the Board may subsequently revoke the variation or suspension, on the application of the licence holder, if satisfied that, by reason of a change of circumstances, the variation or suspension is no longer necessary.

2.3 Additional action in relation to personal licence holder working in the premises

2.3.1 In the course of a premises licence review hearing the Board may also make a finding in respect of any personal licence holder who is or was working in the premises that the personal licence holder concerned, while working in the premises, acted in a manner which was inconsistent with any of the licensing objectives. This is subject to a separate report.

Recommendation

The Board is invited to hear from the representative of Police Scotland, the Licensing Standards Officer and the premises licence holder and then-

- (a) to decide whether they are satisfied that any of the grounds for review set out in section 36(3) of the Act, and listed at **paragraph 2.1.1** above, are established and, if so
- (b) to decide whether they consider it necessary or appropriate for the purposes of any of the licensing objectives to take any of the steps set out in section 39(2) of the Act and listed at **paragraph 2.2.2** above. In this regard, the Board must specify the licensing objective(s) in question.

If the Board is satisfied that the ground for review specified in section 36(3)(a) is established, the Board must revoke the premises licence, as explained at **paragraph 2.2.3** above.

Reference: HC/INBS/517

Date: 24 April 2026

Author: Kata Somogyi

Appendices: Appendix 1 – Premises licence review application dated 23 April 2026

Appendix 2 – Licensing Standards Officer's report dated 28 April 2026

23/04/2026

Your Ref: HC/INBS/517

Our Ref: 22382

Highland Council
Licensing Office
Council Headquarters
Glenurquhart Road
Inverness
IV3 5NX



Divisional Co-ordination Unit
Highland and Islands Division
Police HQ
Old Perth Road
INVERNESS
IV2 3SY

Dear Madam,

**LICENSING (SCOTLAND) ACT 2005 - SECTION 36. PREMISES LICENCE REVIEW APPLICATION. LICENCE NO: HC/INBS/517
PREMISES: MERKINCH STORE & POST OFFICE. 1-3 LOCHALSH ROAD, INVERNESS, IV3 8HU. PREMISES LICENCE HOLDER: V & C STORES LIMITED.**

In terms of section 36(1) of the Licensing (Scotland) Act 2005 I hereby make application to the Highland Licensing Board for a review of the premises licence in respect of the premises known as MERKINCH STORE & POST OFFICE 1-3 LOCHALSH ROAD, INVERNESS, HIGHLAND, IV3 8HU.

This application for review is made in terms of the grounds set out at Section 36(3) (ZA): that, having regard to the licensing objectives, the licence holder is not a fit and proper person to be the holder of a premise licence.

Mr Gaddam, who is the sole Director of V & C Stores Limited has been charged with numerous offences, detailed below.

This application for review is also made in terms of Section 36(3) (b) on grounds relevant to one or more of the licensing objectives as articulated at Section 4(1) of the 2005 Act, namely:

- Preventing crime and disorder
- Securing Public Safety

In support of this application, and in terms of section 36(5A) the following information is provided for your consideration: -

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PSSNAR7UQ0426

On the 16th of April 2026, around 3pm, police officers attended Merkinch Stores, Lochalsh Road, Inverness in possession of a drugs search warrant.

Whilst searching cabinets within the shop, officers recovered green herbal material, pouches containing green herbal material, protein bars labelled "cannabis protein bars", hemp products (cones, wraps and briquettes) and blunt cones, all presumptively testing positive for cannabis. Also found were zip lock bags, odourises, glass one "hitters", bongs, nicotine pouches, tobacco products, cigarettes and vape products (some without the legally required health warning labels) and scales for sale.

The premises was not registered to sell tobacco and vape products.

Mr Gaddam has been charged with the following offences;

On 16/04/2026 at Merkinch Stores, Lochalsh Road, Inverness, Highland you VENKATA SURENDRA BABU GADDAM were concerned in the supplying of a controlled drug, namely a Class B drug (Cannabis) specified in Part of Schedule 2 to the Misuse of Drugs Act 1971 to another or others in contravention of Section 4(1) of the after mentioned Act; CONTRARY to the Misuse of Drugs Act 1971, Section 4(3)(b).

On 16/04/2026 at Merkinch Store, Lochalsh Road, Inverness, Highland you VENKATA SURENDRA BABU GADDAM did display or cause to be displayed, in the course of business, tobacco products or smoking related products by displaying bongs, pipes and filter papers in a place where tobacco products are offered for sale namely Merkinch Store, 1, Lochalsh Road, Inverness, Highland; CONTRARY to Section 1(1) of the Tobacco and Primary Medical Services (Scotland) Act 2010.

On 16/04/2026 at Merkinch Store, Lochalsh Road, Inverness, Highland you VENKATA SURENDRA BABU GADDAM did carry on a TOBACCO business whilst unregistered in terms of Section 10 of the after mentioned Act; CONTRARY to Section 20(1) of the Tobacco and Primary Medical Services (Scotland) Act 2010.

On 16/04/2026 at Merkinch Store, Lochalsh Road, Inverness, Highland you VENKATA SURENDRA BABU GADDAM, being a producer within the meaning of the after mentioned Regulations of room odourises and nicotine pouches, did place on the market a product which was not safe, namely not making visually impaired people aware of the risks in that you did not provide a tactile triangle CLP marking CONTRARY to The General Product Safety Regulations 2005, Regulations 5(1) and 20, and the European Communities Act 1972, Section 2(2).

On 16/04/2026 at Merkinch Store, Lochalsh Road, Inverness, Highland you VENKATA SURENDRA BABU GADDAM, a company incorporated under the Companies Acts, registration number SC794792, being required to comply with

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requirements under health and safety regulations, did contravene Reg 17 of the Biocidal Products and Chemicals (Appointment of Authorities and Enforcement) Regulations 2013 Regulations CONTRARY to the Health and Safety at Work etc. Act 1974, Section 33(1)(c).

There are no scheduled courts dates at this time.

The green herbal material, pouches containing green herbal material, protein bars labelled "cannabis protein bars", hemp products (cones, wraps and briquettes) and blunt cones are scheduled to be sent to a laboratory for official evidential testing of cannabis and a report produced for court purposes.

As the matter is sub-judice I am unable to furnish further details.

I request that the Licensing Board considers the aforementioned grounds for review and takes such steps as it considers necessary or appropriate for the purposes of the Licensing Objectives under the terms of Section 39(2) or 39(2A) of the Act.

Yours faithfully

A solid black rectangular redaction box covering the signature area.

Chief Superintendent David Ross
Divisional Commander

APPLICATION FOR REVIEW OF PREMISES LICENCE

This is an application for review of the premises licence for Merkinch Stores & Post Office, 1-3 Lochalsh Road, Inverness, IV3 8HU. The holder of the premises licence since 10/12/2025 is V&C Stores Ltd. – Licence No. HC/INBS/517. The review application is made by Police Scotland in terms of the Licensing (Scotland) Act 2005 – Section 36(1).

Background

Merkinch Stores & Post Office, 1-3 Lochalsh Road, Inverness is a small convenience store and Post Office in an urban location in the Merkinch area of Inverness offering a small range of grocery products as well as alcohol for off sales. The premises Licence Holder for this premises is V & C Stores Ltd for which Venkata Surendra Babu Gaddam is currently registered as the sole director.

Licensing Standards Officer's comments

On 23rd April 2026 I was made aware by Police Scotland Officers that on 16th April 2026 that the premises had been searched under warrant by officers of Police Scotland accompanied by Highland Council Trading Standards Officers, resulting in the seizure of a quantity of suspected cannabis, tobacco, smoking and vaping products and as a result that the premises licence holder Mr Gaddam had been charged with a number of offences. There were no issues highlighted to me about the sale or supply of alcohol in relation to this operation. I was informed by Police Scotland that they were to seek review of all premises licensed under Mr Gaddam's businesses i.e. V & C Stores Ltd, V & C Rodgers Ltd and V & C Retail Ltd.

On Friday 24th April 2026 I carried out a licensed premises check of the shop and checked training records and signage required to be in place under the Licensing (Scotland) Act 2005. At the time I spoke to the Premises Licence Holder Mr Gaddam and found all signage and records to be in order.

I took no further part in the police enquiry.

Shonnie Campbell
Licensing Standards Officer
28 April 2026