

Response to Home Office Consultation on Policies to Cut Alcohol Fuelled Crime and Anti-Social Behaviour

Background

The British Retail Consortium (BRC) is the trade association for retailers in the UK and welcome the opportunity to respond to the consultation. Our members include all the major supermarkets, accounting for over 90% of all grocery sales. Alcohol is an important element of those grocery sales, equivalent of 10% of turnover in a typical supermarket and changes to the licensing regime and controls on promotions will have an impact on our members' businesses and their consumers.

Alcohol in supermarkets is generally sold as part of a wider grocery shop, less than 1% of purchases are only alcohol. Whilst our members may sell larger quantities of alcohol that is not for immediate consumption, it is consumed at home, often with friends and family over a long period of time.

BRC members have been at the forefront of initiatives to change the culture of alcohol in the UK. We have worked closely with the Department of Health (DH) and enforcement authorities to reinforce key messages on responsible drinking and to prevent sales to underage consumers.

BRC members were the first to complete the rollout of the Chief Medical Officer's advice on responsible consumption. They have supported this through messaging in store and contributions to the Drinkaware Trust, the independent organisation which has campaigned extensively to reinforce responsible drinking with both existing drinkers and parents. Our commitment to promote responsible drinking is demonstrated in retailers' support for the key alcohol pledges in the DH's Responsibility Deal on Public Health.

Our members were also at the forefront of initiatives to prevent sales to underage customers. They pioneered the Challenge 25 policy, whereby all customers who appear to be under 25 are challenged for ID; no ID no sale. Collectively through the Retail of Alcohol Standards Group (RASG) they have ensured consistency in the way Challenge 25 is operated and set up Community Alcohol Partnerships which work at a local level with enforcers and local communities to tackle under age sales and low level disorder. It is no surprise that retailers consistently outperform other sellers of alcohol in preventing underage sales.

We also have a number of members in the food to go sector, some of whom have an interest in the questions on late night refreshments. Our members are responsible companies, operating national chains who have participated in a number of Government initiatives including the Responsibility Deal as well as investing in their local community.

General Comments

The investment in promoting the responsible sale and consumption of alcohol demonstrates how seriously our members regard the licensing regime and their right to sell alcohol. We have always argued that the system should enforce rigorously against those alcohol sellers who act irresponsibly. We also believe, however, that changes to licensing legislation and controls on sales should follow the basic rules of better regulation. Any changes should be

based on clear evidence that further regulation is needed and will be effective. It should also be proportionate and targeted and not simply blanket measures that affect all alcohol sellers regardless of their policy and performance.

We also believe the impact on consumers should be a key consideration for this consultation. The vast majority of drinkers in the UK already drink responsibly as demonstrated by the Government's own figures on consumption. Some of the changes proposed on controls of promotion and minimum pricing will have an impact on those responsible drinkers which we believe is unfair and unjustified.

We would reiterate that the consultation is on policies to cut crime and anti-social behaviour. We do not believe there is direct evidence to link off sales of alcohol to disorder. Typically our customers are families buying alcohol as part of their weekly shop. As crime reduction is the objective of the licensing legislation we believe it is wrong to use arguments on health, which we are tackling through other areas with DH in the Responsibility Deal, to justify further restrictions.

It is right to point out that specifically on the question of whether a minimum unit price of alcohol is required our members are not in full agreement. The majority view is reflected in our submission. However 3 BRC members Tesco, Co-operative Group and Waitrose all believe that minimum pricing could potentially have a role within a wider alcohol strategy, provided the evidence was clear to justify it and it did not impact unfairly on consumers.

Below are our specific answers to the questions relevant to our sector raised in the consultation.

1. Do you agree that this MUP level would achieve these aims?

The majority of our members do not believe MUP is an appropriate intervention. Firstly, we believe excessive alcohol consumption is due to complex reasons influenced by cultural and social factors and there are more effective methods to address these than minimum pricing. We believe the measures we have embarked upon, clear information for drinkers and Drinkaware campaigns targeted both existing drinkers and the next generation are having an impact now and will continue to have an impact in the future.

Secondly, MUP is an unfair blanket measure. It penalises the majority of our customers who drink responsibly. The ONS figures show that excessive drinking is falling and the most recent data for 2010 showed only 26% of men and 17% of women exceeded the recommended weekly consumption of alcohol. MUP would, therefore, penalise over three quarters of the population who drink responsibly. In 2011 there were fewer alcohol related deaths than in 2010 and are at their lowest since 2003.

2. Should other factors or evidence be considered when setting a minimum unit price for alcohol?

Although considered in the consultation we would put greater weight on the impact on responsible drinking consumers. We would also point out that the estimated positive impacts of minimum pricing are based on a statistical model; minimum pricing has not been used on a national basis anywhere in the world. Whilst we are not qualified to comment on the

robustness of that study it should be remembered it is not based on actual evidence of behaviour of consumers and should be considered accordingly.

3. How do you think the level of minimum unit price set by the Government should be adjusted?

We do not agree with its introduction and would therefore support the third option. That it should be reviewed but with a view to confirm if it has been effective in reducing crime and anti-social behaviour and if it hasn't it should be scrapped. In Scotland this approach was recognised by introducing a sunset clause in their legislation and we would suggest a same approach.

If it is introduced, the Government should wait for a reasonable time to assess its impact based on evidence. Changing the minimum will cause a significant problem for retailers who will need to adjust their systems accordingly, including reviewing an appropriate range of products which could have an impact on their supply chain. We believe, therefore, the price should not be changed frequently and the maximum notice given to businesses.

4. Do you think there are any other people, organisations or groups that could be particularly affected by a minimum unit price for alcohol?

We believe some retailers may be affected by a minimum price, particularly smaller retailers for whom alcohol is a more significant percentage of their overall turnover. Higher prices for alcohol could lead to a return to previous times when consumers sought to buy alcohol cheaper. For some consumers that could mean crossing to France to buy alcohol more cheaply or the risk there would be an increase in illicit trade. Our members have experience of this in Northern Ireland where changes in the Euro exchange rate will encourage shoppers either side of the border to change where they shop.

There is also a risk that own brand alcohol will be disproportionately affected by a minimum unit price. Not only will this reduce choice for consumers it would affect those producers who supply own brand alcohol.

There is also a danger that there could be an adverse impact on innovation. For example, producers of new lower strength products may be deterred as they will be prevented of using price promotion to establish a place in the market.

Finally, it is too simplistic to believe minimum pricing will be to the advantage of retailers. Manufacturers may take any margin increase and own brand sales may fall.

5. Do you think there should be a ban on multi-buy promotions involving alcohol in the off-trade?

No. Firstly, no evidence has been put forward in the consultation to demonstrate that multi-buy promotions are linked to problems of crime and disorder. Unsurprisingly, we know consumers do buy products whilst on promotion, however there is no evidence to show that levels of consumption are increased and certainly not to link them with increased problems with crime.

Secondly, in Scotland where measures have been introduced to prevent multi-buys it has had little impact in terms of limiting purchasing. The policy by its nature is flawed and simply

means the retailer considers the range of alcohol it sells to ensure it can sell those products most demanded by consumers. Ironically that may mean removing choice in the smaller volumes.

Thirdly, responsible consumers could be penalised. These promotions are welcomed by consumers struggling with their household budgets. They will usually take advantage of a promotion when it is available and then store at home and drink the products over a longer period.

6. Are there any further offers which should be included in a ban on multi-buy promotions?

No.

7. Should other factors or evidence be considered when considering a ban on multi-buy promotions?

We would emphasise the points in question 3 that the consultation does not consider or provide evidence on consumer behaviour consumptions. There is no proven link between promotions, purchasing and consumption. As our sales are for consumption off the premises there is absolutely no pressure to drink more or more quickly simply because a product is on promotion and the continued drop in overall consumption in the UK would suggest that there is not a problem.

The evidence from Scotland also shows their ban has had no significant impact.

9. Do you think each of the mandatory licensing conditions is effective in promoting the licensing objectives?

One mandatory condition, the operation of an age verification policy applies to our sector. Our members had already set up age verification policies on a voluntary basis before its introduction and have found it to be extremely effective in preventing the sale of alcohol to children, as demonstrated both in official test purchasing figures and the companies' own internal audits.

We believe ensuring all retailers, not just the majority who are members of the Retail of Alcohol Standards Group (RASG), operate an age verification policy is worthwhile. A consistent approach to age verification which ensures children know there are strict rules on sale wherever they attempt to purchase alcohol is the best way to change the culture. Our members' view is this culture change is happening where those young customers over 18 expect to be challenged and carry ID and that robust systems are in place which deter under age consumers.

11. Are there other issues related to the licensing objectives which could be tackled through a mandatory licensing condition?

No

12. Do you think the current approach, with 5 mandatory licensing conditions applying to the on-trade and only one of those to the off-trade is appropriate?

Yes. There are clearly differences between the two sectors in terms of consumption on and off the premises and the current mandatory conditions are appropriate to them.

13. What sources of evidence on alcohol-related harm could be used to support the introduction of a cumulative impact policy (CIP) if it were possible for a CIP to include consideration of health?

We do not agree with the proposal to include health for a number of reasons. Firstly it is not clear how a wider analysis of health harms over and above those already considered have any link to the licensing objectives in legislation.

Secondly, we do not believe it would be correct to attempt to link long term health issues such as liver disease to the current concentration of alcohol licences. These problems are likely to have developed over a number of years and it would be wrong to link them to licensing in a local area, particularly as overall and excessive consumption figures are dropping.

Thirdly, it would be particularly wrong to link this to supermarkets. Larger stores in particular will attract customers from a wide area and we do not see how they could be linked to health issues in one particular area.

14. Do you think any aspects of the current CIP process would need to be amended to allow consideration of data on alcohol related health harms?

As we have stated we do not support the introduction of wider health harms to the CIP process. If the Government does decide to proceed with the proposal we believe licensing authorities should take full account of those companies that are actively working to help customers drink responsibly reducing their chance of health harms. Many retailers, for example, have signed up to the pledges on alcohol in the Government's Responsibility Deal on Public Health, including clear labelling of units and support for the Drinkaware Trust. We believe it would show a lack of joined up government to potentially impact on those companies on the grounds of health that are actively supporting the Government's own health campaign. The important issue, in our opinion, in this case is not necessarily the prevalence of alcohol sellers but a better analysis of what health advice and support those retailers are giving to their customers.

15. What impact do you think allowing consideration of data on alcohol-related health harms when introducing a CIP would have if it were introduced in your local area?

Building on our response to question 14 we believe a CIP that prevents responsible companies from opening stores is counter-productive and has wider implications for food retailing. Supermarkets sell alcohol as part of a wider range of groceries but due to the relatively low margins in food retail it is not feasible to operate a supermarket without one. The wider impact of a more restrictive CIP based on health harms is to stymie grocery development in general which could prevent local areas benefitting from the wider benefits such as more competition, access to affordable nutritious food and the wider health initiatives our members are engaged in.

27A. Do you think that licensing authorities should have local discretion around late night refreshment in each of the following ways? – Determining premises in certain areas are exempt

No, we do not support this proposal as we feel it would lead to unintended consequences in the local area. It could encourage premises, regardless of their compliance record and management to locate to areas that are exempt. It could also lead to an inconsistent approach to licensing across the country which is difficult for national companies such as ours to plan for.

27B. Determining that certain premises are exempt in their local area

Our members are more sympathetic to this proposal and can see the merits in exempting well run businesses which have demonstrated a record of investing in responsible initiatives. However, we have some concerns that this power will not be used consistently without clear guidelines from Government on the criteria for qualifying exempted premises.

28. Do you agree that motorway service stations should receive a nationally prescribed exemption from regulations for the provision of late night refreshment?

Yes. Our members operate in a number of service stations throughout the country providing an important service to travellers which by its nature requires 24 hour operation. In fact we would ask the Government to extend this exemption to other trunk routes and key roads off the motorway network that perform exactly the same function.

30A. Do you agree with the following proposals? – remove requirement to advertise licensing applications in local newspapers

Yes

30D. Remove or simplify requirements to renew personal licences under the 2003 Act

Yes

31A. Do you think each of the following would reduce the overall burden on business? – Remove requirements to advertise licensing application in local newspapers

Yes

31D. Remove or simplify requirements to renew personal licences under the 2003 Act?

Yes

32 A and D. Do you think that the following measures would impact adversely on one or more of the licensing objectives? – remove requirement to advertise licensing applications in local newspapers and Remove or simplify requirements to renew personal licences under the 2003 Act?

No

33. In addition to the above what other sections of or processes under the 2003 Act could be removed or simplified?

A common issue when submitting a DPS Variation application is that the Police will often phone up asking for the Date of Birth and Place of Birth, we have added an additional sheet for employees to complete but feel that it would be better if the official form was amended to include this information as standard.

Another issue surrounds the requirement to obtain a CRB check. When applying for a personal licence in Scotland all that we are required to submit is the application form, fee and examination certificate. The Police will then independently carry out background checks. This process appears to work very well and would propose a similar approach for England & Wales.

We would suggest removing the requirement on a premises licence application form to state proposed opening hours. This can confuse residents and licensing authorities and if there is a need to restrict opening hours this can be raised in a representation.

We would also suggest removing the requirement to show fire information on plans as retailers are already required to carry out fire risk assessments and comply with fire regulations under different legislation.