

Government Alcohol Policy

Impact on Local Shops

The three core proposals in the Government's Alcohol Strategy consultation are the introduction of minimum unit pricing, a ban on multi-buy promotions in the off-trade, and the introduction of health as a licensing objective for cumulative impact policies. This briefing sets out our key policy position on each of these issues.

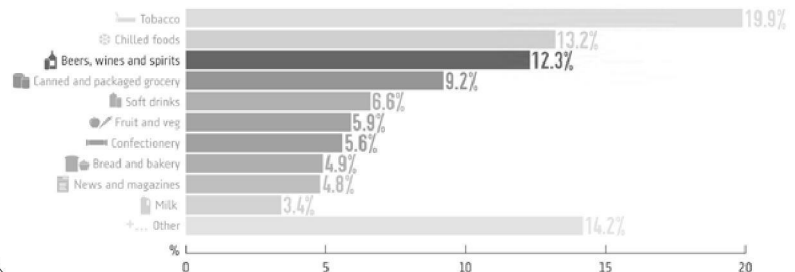
Background

There are over 44,400 convenience stores in England and Wales, a significant majority of which have a licence to sell alcohol. As the marketplace for specialist off licences has declined, alcohol has become a vitally important part of the offer for convenience retailers.

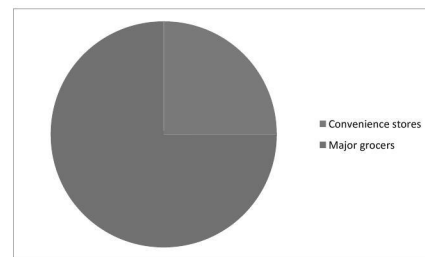
Despite the larger number of stores licensed to sell alcohol, convenience stores account for a small proportion of the overall volume of alcohol sold in the off trade. For example convenience stores account for around 25% of the beer and cider sold in the off trade. 75% is sold through the major grocers.

Alcohol is also the most highly regulated product sold in stores. Changes to alcohol policy, the burdens it creates, and ensuring compliance with regulations, are therefore key issues for retailers.

Category Sales, Convenience Sector (2012)



Off Trade Sales: Beer & Cider



Cumulative Impact Policies (CIPs)

CIPs are a tool available to licensing authorities to restrict the number of alcohol licenses in a given area, where there is a proven issue with alcohol-related crime and disorder. The consultation plans to extend this to also allow consideration of alcohol-related health harms. This will have a significant detrimental impact on local shops. ACS strongly opposes this measure because the policy will:

Prevent business investment and job creation. Businesses faced with the prospect of not getting an alcohol licence will not seek to establish a convenience store. The community will lose out on a valuable new service and the associated jobs and other community benefits.

Discriminate against small businesses. 77% of all the convenience stores in England and Wales are small

independent businesses. A big business can decide to invest in the significant legal and compliance resource required to try and get a licence, yet a small or start up business would not be able to fund this activity.

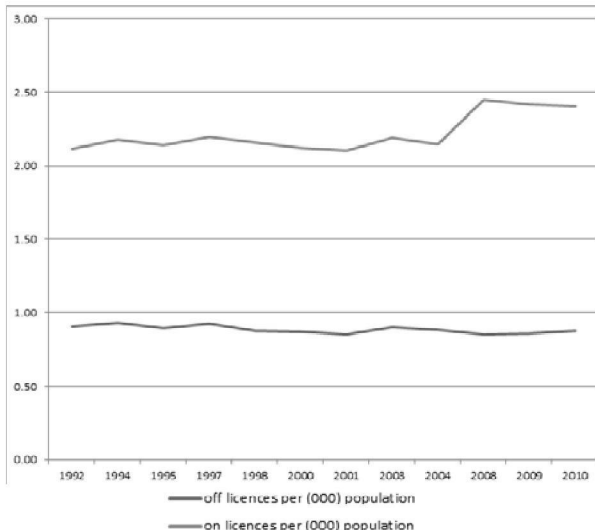
Create significant additional red tape burdens for stores in CIP zones. Retailers in CIP zones face the prospect of significant additional burdens and uncertainty if seeking to make changes to their business such as store refits or changes to opening hours.

Reduce the value of existing convenience store businesses in CIP zones. In a CIP area the value an alcohol license brings to a business would be removed from the sale value of the premises, as there would be a presumption against any new owner being granted an alcohol license, thereby limiting the business opportunities of the site.

Also the evidence that the policy is necessary is questionable:

The number of off licences has not increased dramatically: The CIP policy presupposes that there has been a dramatic increase in the number of off licences. This is not the case. The number of off licences has followed the increase in population, in fact the ratio has declined slightly. In 1992 there were 0.91 off licences for every 1000 people in the population. In 2010 there were 0.87.

There is no evidence the policy will work: The Government's claim that 'a reduction in density would lead to a reduction in both alcohol related harm and crime and disorder' is not supported by the evidence base presented. Of the 19 studies they refer to, only five conclude that there is a correlation between an increased density of off licences and increased alcohol consumption in the local area, and none conclude that a reduction in off licence numbers results in a reduction in alcohol related health harm.



Minimum Unit Pricing (MUP)

ACS accepts that the Government intends to impose a minimum unit price for alcohol. Small stores have suffered the negative effects of supermarket price wars in the alcohol category. This has contributed to their dominance of the volume of alcohol sold through the off trade. The introduction of a minimum price may have some positive benefits for the position of small stores in the market place. However:

The benefits of introducing minimum unit pricing (MUP) should not be overstated and there remain questions about how MUP will impact on consumption patterns especially amongst the most problematic drinkers.

We are concerned that the inevitable cost inflation will harm ordinary responsible consumers and the level at which MUP is set must focus on minimising the impact on the majority of consumers.

MUP will lead to increased demand for bootlegged and counterfeit alcohol. This is already a significant and growing problem. Duty fraud for beer alone in 2011 cost £600 million, with alcohol fraud in total costing the Exchequer £1.2 billion. Increasing the margin between legitimate products and illicit alcohol could increase profit and make this market more attractive to the illicit trade.

Ban on Multi-buy Promotions

ACS opposes the introduction of a ban on multi-buy promotions for the following reasons:

It is unnecessary given the intention to introduce minimum unit pricing – very low price deals arising from multi buys will be banned under MUP so this policy is duplication.

It hasn't worked in Scotland – there is no evidence from the Scottish ban (introduced in October 2011) that it has led to reduced consumption. Decline in alcohol consumption is in line with that in England and Wales where no ban is in place.

A ban would harm small business most – a ban on promotions would significantly affect the perception of value for money in smaller stores. Promotions are a vital way for small stores to highlight the value of their products to consumers.

The Government's own regulatory impact assessment is unconvincing – the RIA contains no clear estimates or quantifiable benefits for the introduction of this policy, and acknowledges there is 'little direct evidence... on how alcohol promotions affect an individual's consumption behaviour after purchase.'

There is no logic to the suggestion that a multi buy ban is necessary in shops but not in pubs – there is no rationale that justifies a ban on multi-buy promotions exclusively in the off trade. The only place where a multi-buy alcohol promotion is for immediate consumption is in an on trade premise.

Key Statistics: Alcohol Consumption

The UK faces serious issues relating to the misuse of alcohol and the resulting harm it causes. ACS supports efforts to tackle these issues. Community retailing has a key role to play in this, and we strongly welcome the recent progress made in this area, including:

Alcohol related consumption in the population overall has declined by 11% from 2004 to 2010

Young people drink less frequently than older people. 7% of men and 2% of women aged 16-24 had drunk on 5 or more days during the previous week compared with 27% of men and 14% of women aged 65 and over

Binge drinking amongst 16-24 year old men has declined from 39% in 1997 to 24% in 2010 and fell to its lowest recorded level for young women at 17%

In 2010, 13% of children aged 11-15 in England drank alcohol in the last week fell to the lowest level recorded. This has been declining since a peak of 27% in 1996

The proportion of pupils in this age group who have never drunk alcohol has risen significantly, from 39% in 2003 to 55% in 2010

Contact ACS

ACS is the trade association for convenience retailers, representing over 33,500 stores across the UK. ACS champions and promotes responsible retailing practices through a number of initiatives:

- Board member of Community Alcohol Partnerships
- Co-creator of Challenge 25 initiative
- Founding board member of the Proof of Age Standards Scheme (PASS)
- Founding board member of Citizencard Ltd
- Member and supporter of the Government's Responsibility Deal