

A consultation on delivering the Government's policies to cut alcohol fuelled crime and anti-social behaviour – Response of the Co-operative Retail Trading Group

The UK Consumer Co-operative Movement comprises 17 retail Co-operative Societies operating some 3,300 food outlets. The Co-operative Group is the largest Co-operative Society, operating as a consumer co-operative and comprises a family of businesses whose activities range from food to finance and from farms to funerals. Food retailing is core to our activities, providing almost half of the Group's turnover. Part of the retail mix in Co-operative stores is the sale of alcohol products.

The Co-operative Group provides the Co-operative Own Brand range, comprising some 4,000 lines, including alcohol products, to all Co-operative Food stores. All Societies operating supermarkets and convenience stores are members of the Co-operative Retail Trading Group (CRTG). CRTG is operated by the Co-operative Group on behalf of CRTG members and provides a buying and marketing function to them.

We welcome the opportunity to respond to this consultation on the implementation of the Government's alcohol strategy for England and Wales.

A minimum unit price for alcohol

Q 1: Do you agree that this MUP level would achieve these aims? (200 words)

The Co-operative believes that minimum pricing, in conjunction with other more targeted measures, may have a role to play in changing behaviour in order to reduce alcohol consumption.

We acknowledge that there is some debate about whether reducing alcohol consumption will lead to the realisation of the Government's aims in reducing hospital admissions, alcohol-related deaths and alcohol-related crimes. However, we would argue that a 45p level would allow minimum unit pricing to be trialled and its potential impacts quantified.

Q 2: Should other factors or evidence be considered when setting a minimum unit price for alcohol? (200 words)

It is important that the Home Office work with retailers in advance of implementation to ensure that the regulations are as clear and unambiguous as possible. There are a number of operational issues which will be faced by retailers seeking to comply; these include policies on reducing to clear stock, internal staff discount schemes, promotions designed to reduce the overall cost of a shopping trip and Christmas saving schemes. Collaborative work to agree guidance to retailers and enforcement agencies will be critical for the successful launch of any MUP scheme and to minimise the regulatory burden imposed.

This policy should also go hand-in-hand with a robust plan designed to tackle any increase in illegal trade. This could come about through increased levels of shop theft, alcohol duty fraud or counterfeit products. Legal cross-border shopping should also be considered. It is entirely possible that there will be at least two different MUP regimes in operation in different parts of the UK. This could create confusion for retailers and consumers and lead to concerns over fair competition.

Q 3: How do you think the level of minimum unit price set by the Government should be adjusted over time?

The minimum unit price should be reviewed after a set period.

It is our firm belief that analysis of the success or otherwise of minimum unit pricing should rest in the hands of a dedicated body. This body should be completely independent, so as to remove the possible charge of Governmental interference –



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the Low Pay Commission would be a good example of such a body. We envisage that this body would have the power to collect and analyse data to gauge how well the current level of minimum unit price is meeting the Government's targets of cutting health harms and alcohol-related crimes. It should also be within the power of this body to recommend any adjustment to the minimum unit price level, or even that the minimum unit pricing policy be repealed if it turns out that the policy is having no effect upon the Government's targets (i.e. if alcohol consumption falls but the identified health harms and alcohol-related crimes continue to rise). We note that the Scottish Government has agreed that their minimum unit pricing policy will be subject to a sunset clause. We would encourage the Government to follow a similar approach.

Q 4: The aim of minimum unit pricing is to reduce the consumption of harmful and hazardous drinkers, while minimising the impact on responsible drinkers. Do you think that there are any other people, organisations or groups that could be particularly affected by a minimum unit price for alcohol? (100 words)

There will be costs to retailers in ensuring that staff receive appropriate training and that systems are updated. As stated in our answer to Q2, there are a number of policies and procedures which will require review to ensure that they do not inadvertently breach the law. Thorough, unambiguous guidance at an early date will be necessary to ensure retailers can comply. Due to the large number of prices which will need recalculating across the estate and the number of procedures which will need rewriting a lead-in period of at least nine months will be required prior to full implementation.

A ban on multi-buy promotions in the off-trade

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

No.

The Co-operative does not believe that a multi-buy ban is justified. While we believe that minimum unit pricing *may* have a part to play in changing behaviour in order to reduce alcohol consumption we do not believe that a multi-buy ban will have the same effects. Minimum pricing is perhaps the most significant intervention of its kind which a Government has made in the alcohol market for many years. We would therefore prefer that minimum pricing be introduced in isolation so that its effects can be assessed and hence inform future debates. Introducing a multi-buy ban at the same time, as proposed, would make it impossible to attribute any results to a particular intervention. This would undermine the robustness of any evidence base.

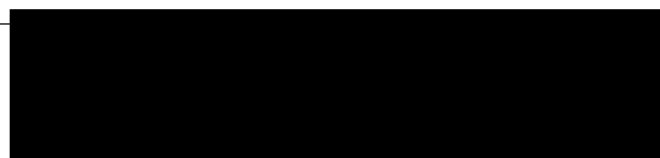
Minimum unit pricing will already create a level below which alcohol cannot be sold. This will affect multi-buys just as much as it will straight price promotions. MUP will in effect make heavily discounted multi-buys illegal without the need for a specific regulation. A multi-buy ban is an untargeted measure which will prevent retailers offering competitive value to consumers. It will add extra burden to retailers and the relevant enforcement agencies.

Q 6: Are there any further offers which should be included in a ban on multi-buy promotions? (100 words)

No.

Responsible retailers already comply with the codes of practice laid down by the Advertising Standards Agency and Portman Group to ensure that alcohol is not promoted in such a way so as to encourage irresponsible consumption.

It should also be pointed out that off-trade multi-buy promotions do not in any way encourage immediate consumption. It is therefore difficult to argue that they encourage individuals to consume more than they otherwise would. If this was a concern it is hard to understand why on-trade promotions have been specifically excluded from this proposal.



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Q 7: Should other factors or evidence be considered when considering a ban on multi-buy promotions? (200 words)

Yes.

The results of the Scottish multi-buy ban must be considered. Health Scotland reviewed the results and concluded that "There has been no obvious change in week-to-week per adult alcohol sales in Scotland during the period after the introduction of the quantity discount ban in 2011, or during the first part of 2012, compared with trends in previous years." Whilst the overall volume of pure alcohol sold per adult in Scotland did decline slightly after the introduction of the multi-buy ban, so did that in England and Wales where no ban existed. There is therefore no evidence to support the idea that a multi-buy ban will have any benefits comparable to those predicted for MUP. A multi-buy ban would be a very onerous regulation carrying considerable costs to businesses.

Retailers and suppliers forward plan their promotion package – for major promotions the planning horizon can be as far as twelve months. There is therefore a danger that if any implementation date specified in legislation did not take account of this fact, retailers could already be contracted to support promotions that they will not legally be allowed to offer. Breach of contract to a supplier carries heavy financial and legal repercussions.

Q 8: The aim of a ban on multi-buy promotions is to stop promotions that encourage people to buy more than they otherwise would, helping people to be aware of how much they drink, and to tackle irresponsible alcohol sales. Do you think that there are any other groups that could be particularly affected by a ban on multi-buy promotions? (100 words)

Multi-buy promotions are often used more effectively as a promotional tool by smaller neighbourhood shops than by supermarkets. A ban on these promotions may hence have a disproportionate effect on smaller retailers than on larger stores.

Reviewing the mandatory licensing conditions

Q 9: Do you think each of the mandatory licensing conditions is effective in promoting the licensing objectives (crime prevention / public safety / public nuisance / prevention of harm to children)?

The requirement to have an age verification policy is crucial in promoting the objective of protection of harm from children. This is the only mandatory licensing condition to apply to the off-trade.

Q 10: Do you think that the mandatory licensing conditions do enough to target irresponsible promotions in pubs and clubs? (100 words)

N/A

Q 11: Are there other issues related to the licensing objectives (prevention of crime and disorder / public safety / prevention of public nuisance / protection of children from harm) which could be tackled through a mandatory licensing condition? (200 words)

Current efforts to reduce sales to underage individuals have been so successful that research has shown that supermarkets are now the very last place underage individuals try to get hold of alcohol. The battle has now moved to the tackling of proxy sales, where adults purchase alcohol legally and then give or sell it on illegally to children or young people. The Co-operative has put into place internal policies designed to tackle proxy purchasing where it is suspected. However, because it is impossible to tell whether a purchaser intends to later pass on the alcohol to a child we do not think it would be appropriate to try to tackle this issue through a mandatory licensing objective. A more joined-up and collaborative approach from a variety of agents such as retailers, police, charities and other agencies is necessary – this approach has been pioneered through the introduction of Community Alcohol Partnerships.

Q 12: Do you think the current approach, with five mandatory licensing conditions applying to the on-trade and only one of those to the off-trade, is appropriate? (100 words)

We do not think that any of the other mandatory conditions for the on-trade are applicable to the off-trade. As stated in our answer to Q6, we work closely with the ASA and Portman Group to ensure that we do not offer irresponsible promotions.

We would oppose any proposal to remove the requirement for an age verification policy.

Should any further mandatory licensing conditions be proposed it is crucial that a full consultation be held so that interested parties can scrutinise the proposals.

Health as a licensing objective for cumulative impact policies

Q 13: What sources of evidence on alcohol-related health 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? (200 words)

Any evidence submitted to support the introduction of a CIP must demonstrate both:

- a clear causal link between the number of alcohol licences in an area and resultant health problems
- that the alcohol consumed by those with alcohol-related health problems was purchased primarily in that area.

We doubt that any such evidence would exist. Alcohol Concern's investigation across London found no link between the number of licences and harm. Alcohol consumption is in decline. The number of off-sales licenses proportional to population has remained steady for two decades. Health harms continue to increase however. The Co-operative therefore opposes introducing health as a licensing objective for CIPs.

Local authorities should also take into consideration that a corner convenience store and an out-of-town hypermarket would each possess only one alcohol licence, but the volume and value of alcohol sold by the latter would dwarf that sold by the former.

It would also be worth reviewing the experience of 'overprovision' in Scotland. This has led to legal challenge from large retailers and created a barrier to entry into the market (thereby protecting those retailers already present in an area – who may or may not be operating responsibly - from competition).

Q 14: Do you think any aspects of the current cumulative impact policy process would need to be amended to allow consideration of data on alcohol-related health harms? (200 words)

We do not believe that cumulative impact policies will be able to tackle both public order problems and health problems.

Cumulative impact policies were introduced for a specific reason: to prevent local law forces being overstretched by a large number of inebriated individuals leaving pubs and bars at any one time. CIPs were concerned with the on-trade, with public order and not with the overall volume of alcohol sold. Whilst pubs and bars have a specific capacity the volume of alcohol sold by stores differs considerably as stated in our response to Q13. CIPs are therefore unsuitable for modification in this way.

We think it is impossible to conclusively link data on local health harm to alcohol sales within a particular cumulative impact area. Data would have to be drawn from local health boards. As health boards and hospital trusts cover increasingly wide areas (for instance Betsi Cadwaladr University Health Board covers more than six counties) it would be necessary to draw

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the boundaries of any CIP so broadly as to render the original purpose of tackling small concentrations of public order issues impossible.

Q 15: What impact do you think allowing consideration of data on alcohol-related health harms when introducing a cumulative impact policy would have if it were used in your local area? Please provide evidence to support your response. (200 words)

To create a correlation to health harms the boundaries of CIPs would have to be drawn much more broadly; this would prevent CIPs being used to target particular concentrations of public order offences, as outlined in our answer to Q14.

There would be a general presumption that new licences would not be approved. Therefore competition in any area would be depressed. CIPs would not create any specific incentive for an existing retailer to operate responsibly. It would, however, protect that retailer from any new entrants to the market competing for the same trade.

All licensed businesses in a CIP area would see their operational costs and workload increase. Should they wish to apply for a full variation in the terms of their licence they would have to face the presumption that this would not be approved. They would have to prove a negative: that the change in their licence will not contribute to health harms. Retailers are not statisticians and the extra burden and cost will prove a distraction to meeting consumer needs.

Freeing up responsible businesses

Qs 16-29:

The Co-operative Retail Trading Group does not propose to respond to these questions as they would not be particularly applicable to our business.

Q 30: Do you agree with each of the following proposals?

We agree with the proposals to both remove requirements to advertise licensing applications in local newspapers and remove or simplify requirements to renew personal licences under the 2003 Act.

We neither agree nor disagree with the proposals concerning Motorway Service Areas, though The Co-operative is generally in favour of deregulation.

Q 31: Do you think that each of the following would reduce the overall burdens on business?

We believe that all four proposals would reduce the overall burdens on those businesses affected.

Q 32: Do you think that the following measures would impact adversely on one or more of the licensing objectives?

We do not believe that the proposals to either remove requirements to advertise licensing applications in local newspapers or remove or simplify requirements to renew personal licences under the 2003 Act would impact adversely on any licensing objective.

Q 33: In addition to the suggestions outlined above, what other sections of or processes under the 2003 Act could in your view be removed or simplified in order to impact favourably on businesses without undermining the statutory licensing objectives or significantly increasing burdens on licensing authorities? (200 words)

We would support any proposals geared specifically to reducing burdens upon responsible retailers. Retailers who strive to comply with regulations, establish internal procedures enshrining best practice and support campaigns such as Drinkaware or projects such as local Community Alcohol Partnerships find they carry greater cost and administrative burden than those



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who do not. Measures to support retailers who operate responsibly would hopefully encourage others to improve their standards.

Examples include:

- removing requirement to hold hard-copy premises licenses – a central electronic library, updated by local authorities, to which retailers have viewing rights, would drive savings and efficiencies for both retailers and local authorities
- removing requirement to report lost alcohol licences to the police – duplicate copies are generally accepted in such instances by enforcement officers; should a licence be stolen it is of no use to anyone other than the licensee
- removing requirement for applicants to circulate copies of hard-copy licence applications to relevant parties – local authorities are already responsible for circulating online applications; it makes sense to have a unified system
- fast-track discounts applicable upon quick payment of licence fees – this could potentially improve payment rates and reduce the level of chasing required by local authorities

Impact assessments

Q 34: Do you think that the Impact Assessments related to the consultation provide an accurate representation of the costs and benefits of the proposals?

We do not think that any of the Impact Assessments are convincingly accurate in terms of costs and benefits of the proposals.

We would also note that there is no Impact Assessment relating to the proposals about reviewing the mandatory licensing conditions.

