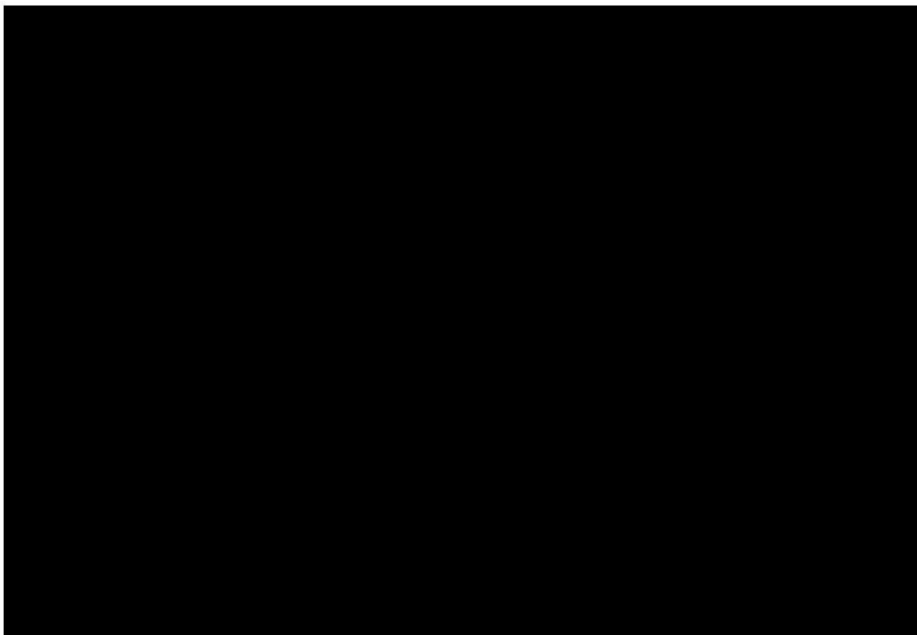




GREENE KING PLC - RESPONSE TO A CONSULTATION ON DELIVERING THE GOVERNMENT'S POLICIES TO CUT ALCOHOL- FUELLED CRIME AND ANTI-SOCIAL BEHAVIOUR

To:
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GREENE KING - RESPONSE TO A CONSULTATION ON DELIVERING THE GOVERNMENT'S POLICIES TO CUT ALCOHOL- FUELLED CRIME AND ANTI-SOCIAL BEHAVIOUR

Introduction

Greene King is one of the UK's largest pub retailers and brewers. It was founded in 1799 and is headquartered in Bury St. Edmunds, Suffolk. It currently employs over 21,000 people across its main trading divisions: Retail, Pub Partners and Brewing & Brands.

Greene King operates c. 2,300 pubs, restaurants and hotels across England, Wales and Scotland, of which c. 1,000 are retail pubs, restaurants and hotels, and c. 1,300 are tenanted, leased and franchised pubs. Its leading retail brands are Hungry Horse, Old English Inns, Eating Inn and Loch Fyne Restaurants.

Greene King also brews quality ale brands from its Bury St. Edmunds and Dunbar breweries and it is the UK's leading cask ale and premium ale brewer. Its core ale brands are Greene King IPA, the no.1 cask ale in the UK; Old Speckled Hen, the no.1 premium ale in the UK; Abbot Ale, the no.1 premium cask ale in the UK, and Belhaven Best, the no.1 ale brand in Scotland.

Opening Statement

Greene King strongly welcomes the Government's intention to introduce a minimum unit price (MUP) for alcohol, which is an important step in helping to address the UK's long-term problems associated with binge drinking and alcohol-related disorder.

Greene King would like to see the outcome of this consultation set a minimum unit price of 50 pence per unit. This could significantly increase the number of lives saved/helped per year and avoid issues associated with cross-border alcohol shopping between England and Scotland.

Initially, the MUP should be linked to inflation. In addition, it should be reviewed after a set period. To do this, Government should create an expert advisory panel to review the level and impact of MUP and associated measures, on, say, a three-year term. The expert panel should include representatives from Health, Policing, Industry, and other relevant stakeholders, at a senior level.

We also welcome observation from the Home Office, in introducing the Alcohol Strategy Consultation, that this process is "not about stopping the sensible and responsible drinking which supports pubs as part of the community fabric, creates thriving town centres and provides employment and growth."

And, we urge HM Treasury not to further increase duty to offset any potential lost revenue from lower consumption as a result of an MUP. This would add further pressure to pubs and their communities across the UK and likely accelerate the rate of pub closures in the UK.

Greene King believes that the authentic pub is a valuable asset and contributor to society and the community at large. While we recognise that excessive drinking can damage society in the ways that are described, and particularly where excessive volumes of alcohol are consumed, the pub provides a managed and supervised atmosphere in which alcohol may be consumed legitimately and responsibly.

The procedure for the review of licensed premises, introduced by the Licensing Act 2003 and developed through the course of the following legislative reforms is, we believe, the key tool that obliges premises to be held to account. Multi-buy promotions, many of the mandatory conditions, and the introduction of a health objective (whether generally or for cumulative impact policy considerations) are fringe issues rather than core considerations.

MUP is a core issue, but we would add that holding individual premises to account for individual failings (and empowering licensing authorities to make decisions that have real impact) would also drive more of a fundamental change than the introduction of further conditions or attempts to further restrict the development of licensed premises in specific areas.

We would also urge Government to consider findings from a recent survey with a view to including responses into this consultation process. Leading independent research and polling company YouGov was commissioned by Greene King to ask the general public about their preference for where and when they drink alcohol, with associated questions around price and alcohol education. All figures are from YouGov Plc. The total sample size was 2,091 adults. Fieldwork was undertaken between 27th & 29th January 2013. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

The results of the survey show a clear preference for choosing to drink mostly in the home as opposed to in the pub. Some 66% of respondents said they drank mostly at home, with 19% drinking in a pub; 8% in restaurants; 3% in nightclubs and 1% in wine bars. We believe that cheaper off-trade prices are a factor in this preference for drinking at home.

Price came in second when respondents were asked about the deciding factor for choosing what kind of drink to consume. Taste and sensation were ahead at 58%, with price at 18% and location at 9%. This reinforces our belief that for MUP to have the maximum impact, the price level set should be meaningful. 50% of respondents said they were likely to drink less if alcohol was more expensive and 74% of respondents said that price was a factor (either very or fairly important) in determining which alcoholic drink they consume.

The lack of alcohol education emerged as a major issue in the survey, with 76% saying they had not received any alcohol-related education.

Greene King would be happy to share the full findings of this survey with the Consultation Team.

Consultation Question 1:

The Government wants to ensure that the chosen minimum unit price level is targeted and proportionate, whilst achieving a significant reduction of harm. Do you agree that this MUP level would achieve these aims? (Please select one option):

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
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If you think another level would be preferable, please set out your views on why this might be in the box below (keeping your views to a maximum of 200 words).

Answer:

We believe that 45 pence per unit will go a long way to tackling the issue of alcohol misuse, but 50 pence per unit, as proposed by the Scottish Government, is a more appropriate level and will more directly impact on public health. We note the Government's concerns that the chosen price level should be targeted and proportionate and believe that 50 pence level would not have a prohibitive impact on the drinks sector's business practices. Our views on the level that MUP should be set at, and the reassurance we have that that this will not distort the market in a specifically negative way, are also informed by the studies carried out by bodies such as the University of Sheffield, and also evidence from countries such as Canada (which has successfully used minimum pricing for over a decade).

With regard to the latter, Greene King's MUP position is supported by research from the Centre for Addictions Research of British Columbia in Canada, which indicates a 10% increase in the minimum retail price of spirits and liqueurs reduces consumption by 6.8%, and that

price increases on the cheapest alcohol would particularly reduce consumption of hazardous drinkers in the United Kingdom.

Consultation Question 2:

Should other factors or evidence be considered when setting a minimum unit price for alcohol? (Please select one option):

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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If yes, then please specify these in the box below (keeping your views to a maximum of 200 words).

50 pence would be important for other reasons, such as the standardisation of MUP across the whole of the UK so that brewers, retailers and consumers have a clear understanding of pricing and the purpose underpinning the policy. Different levels would be potentially divisive, confusing to consumers and would potentially cause domestic "booze cruises" across UK national borders, for example between England and Scotland. This problem already exists in the USA, where excise duties vary across State lines. Government would also have to police illegal cross-border activity.

If HMRC is concerned that a figure above 45 pence per unit would lose duty revenue, it should consider the wider costs to Government (cost burden on the NHS, policing, etc) of not having an effective MUP for alcohol, and net those off.

Consultation Question 3:

How do you think the level of minimum unit price set by the Government should be adjusted over time? (Please select one option):

Answer: In line with inflation

Consultation Question 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? (Please select one option):

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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If yes please specify in the box below (keeping your views to a maximum of 100 words).

Answer: We believe that a combination of an MUP and a duty transfer from beer to cider, wine and spirits, would encourage a switch in purchasing and consumption from the unregulated off-trade to the highly regulated on-trade, and from higher abv drinks to lower abv beer. Both trends would help to address the impact of binge drinking and would materially lower the cost to Government, particularly in relation to the current excessive NHS and policing costs, from alcohol related harm and disorder. These trends would also increase overall VAT receipts for Government.

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

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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6. Are there any further offers which should be included in a ban on multi-buy promotions?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
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7. Should other factors or evidence be considered when considering a ban on multi-buy promotions?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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Scotland has recent experience of legislative attempts to prevent multibuy promotions. Scotland is governed by the Licensing (Scotland) Act 2005 that introduced a list of defined "irresponsible promotions" banned throughout Scotland. This is done by adding the ban as a national mandatory licence condition which applies equally to all premises in Scotland. However, the 2005 Act was further supplemented in this area by changes arising from the Alcohol (Scotland) Act 2010. This Act introduced a new type of "irresponsible promotion" - involving a discount on multiple purchases of a product - the "multipack" ban.

The new condition has holes in the legislative drafting. The aim was to prevent irresponsible promotions of alcohol such as "Buy Two, Get One Free".

The effect of the proposed conditions is that a retailer in the off-trade can easily avoid the condition by stocking multiples only. For example, a bottle of wine is sold for £5 then three bottles of that wine cannot be sold as a package for any less than £15; and so on. However - the rule only applies where the product is sold in "singles", i.e. stop selling the single bottle of wine, and you can charge what you like for the multiple package.

In addition, it does not prevent the discounting of multiples of multipacks. In other words, there is nothing to stop a retailer selling a case of lager at £10 but three cases at £20. This creates another incentive perverse to the aim of the legislation. When the multipack ban was brought into force in Scotland (1 October 2011), supermarket deals changed overnight. Instead of three bottles of wine for £10, each bottle was sold at £3.33, and so on. The most recent WineNation report (December 2012) indicated that wine sales have actually increased slightly. See, for example: <http://www.scottishgrocer.co.uk/2013/01/bulk-bans-failing-test-in-scotland/>.

Therefore, it is imperative that any multi-buy promotion ban is introduced in conjunction with an MUP for alcohol.

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?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
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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 - see glossary)?

		Prevention of crime and disorder	Public Safety	Prevention of nuisance	Protection of harm from children
A	Irresponsible promotions (see	✓	✓	✓	✓

	condition (i) above)				
B	Dispensing alcohol directly into the mouth (see condition (ii) above)	✓	✓	✓	✓
C	Mandatory provision of free tap water (see condition (iii) above)	✓	✓	✓	✓
D	Age verification policy (see condition (iv) above)	✓	✓	✓	✓
E	Mandatory provision of small measures (see condition (v) above)	✓	✓	✓	✓

10. Do you think that the mandatory licensing conditions do enough to target irresponsible promotions in pubs and clubs?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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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 - see glossary) which could be tackled through a mandatory licensing condition?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
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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?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
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While the on-trade is heavily regulated in this regard, the off-trade is not. Our business is predominantly made up of on-sells. However, most of our premises licences permit the alcohol sold within our premises to be consumed either on or off the premises. We are at a loss to understand how it can legitimately be suggested that the controlled and supervised environment of our pubs should in some way merit additional obligatory control measures that the unsupervised consumption of alcohol permitted in off licences somehow fails to merit.

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?

Adding the consideration of health to Cumulative Impact potentially dilutes the proper evidential basis on which CIP's are founded. There is already a large disparity in the amount of evidence provided for the implementation of CIP's. Adding health as a consideration presupposes that the sale and supply of alcohol is somehow inherently 'bad', and therefore risks stigmatising an industry already struggling to present its side of the debate against a very vocal anti-alcohol minority.

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?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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As paragraph 8.4 makes clear, the individual merits of any specific application remain paramount. We have concerns that a health consideration, based on general statistics (non site specific) will not tie into the area in question and this would undermine that fundamental principle.

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 specify in the box below, keeping your views to a maximum of 200 words. Please provide evidence to support your response.

Our concern is of a regionalised nature as the health data provided will vary and produce a non-uniform platform for operating a national business across UK geographies.

16. Should special provision to reduce the burdens on ancillary sellers be limited to specific types of business, and/or be available to all types of business providing they meet certain qualification criteria for limited or incidental sales?

		Yes	No	Don't know
A	The provision should be limited to a specific list of certain types of business and the kinds of sales they make (see paragraph 9.5)	Yes		
B	The provision should be available to all businesses providing they meet certain qualification criteria to be an ancillary seller (see paragraph 9.6)		No	
C	The provision should be available to both a specific list of premises and more widely to organisations meeting the prescribed definition of an ancillary seller, that is, both options A and B		No	

17. If special provision to reduce licensing burdens on ancillary sellers were to include a list of certain types of business, do you think it should apply to the following?

		Yes	No	Don't know
A	Accommodation providers providing alcohol alongside accommodation as part of the contract		No	
B	Hair and beauty salons providing alcohol alongside a hair or beauty treatment		No	
C	Florists providing alcohol alongside the purchase of flowers		No	
D	Cultural organisations, such as theatres, cinemas and museums, providing alcohol alongside cultural events as part of the entry ticket		No	
E	Regular charitable events providing alcohol as part of the wider occasion		No	

18. Do you have any suggestions for other types of businesses to which such special provision could apply without impacting adversely on one or more of the licensing objectives (see glossary)? (Please write your suggestions in the box below, keeping your views to a maximum of 200 words):

19. The aim of a new ‘ancillary seller’ status is to reduce burdens on businesses where the sale of alcohol is only a small part of their business and occurs alongside the provision of a wider product or service, while minimising loopholes for irresponsible businesses and maintaining the effectiveness of enforcement (see paragraphs 9.2 and 9.3). Do you think that the qualification criteria proposed in paragraph 9.6 meet this aim?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Don't know	<input type="checkbox"/>
If no, please describe the changes you would make in the box below (keeping your views to a maximum of 200 words)					
The main aim must be to ensure that all sales of alcohol are undertaken in a responsible fashion. 'Ancillary Seller' status does not sit easily where there is a commercial imperative to drive sales, or where there is potential for significant sales/ supply of alcohol (such as at charity or cultural events). This could lead to loop holes being exploited. Where there may be large volumes of sales or supply, this needs to be properly managed to ensure compliance with the licensing objectives and as such should require the proper checks applied by way of the various licence types currently available (TENs etc).					

20. Do you think that these proposals would significantly reduce the burdens on ancillary sellers?

		Yes	No	Don't know
A	Allow premises making ancillary sales to request in their premises licence application that the requirement for a personal licence holder be removed			
B	Introduce a new light-touch form of authorisation for premises making ancillary sales – an 'ASN' but retain the need for a personal licence holder			
C	Introduce a new light touch form of authorisation for premises making ancillary sales – an ASN – with no requirement for a personal licence holder			

21. Do you think that the following proposals would impact adversely on one or more of the licensing objectives (see glossary)?

		Yes	No	Don't know
A	Allow premises making ancillary sales to request in their premises licence application that the requirement for a personal licence holder be removed			
B	Introduce a new light touch form of authorisation for premises making ancillary sales an 'ASN' but retain the need for a personal licence holder			
C	Introduce a new light touch form of authorisation for premises making ancillary sales – an ASN – with no requirement for a personal licence holder			

22. What other issues or options do you think should be considered when taking forward proposals for a lighter touch authorisation?

The proposals for removing the burdens on ancillary sellers is not something that we consider to be appropriate. Alcohol must be sold responsibly by all irrespective of the nature of their business and we consider that a Designated Premises Supervisor (DPS) is a fundamental part of ensuring the strict requirements concerning the sale of alcohol are upheld. Alcohol abuse and misuse can happen at any premises irrespective of their nature and we do not consider removing the DPS requirement is the way forward.

Rather than removing the requirement for a DPS to be nominated we believe that a better approach would be to retain the requirement for DPS to be listed on all premises licences but facilitate a change in the rules which govern police representations against DPS applications. Our proposal would be that an individual is permitted to be named as a DPS in multiple low risk premises, for example a chain of restaurants or bowling centres that sell alcohol. It would mean that there is still a nominated person who is responsible for the sale of alcohol but it could be a director of the company, a regional manager or someone else in a position of authority who is unlikely to change job as frequently as a manager of an individual premises.

The guidelines for the police would need to be changed in order for them to be unable to make a representation on the basis of a person being the DPS at more than one site.

23. Do you agree that licensing authorities should have the power to allow organisers of community events involving licensable activities to notify them through a locally determined notification process?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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24. What impact do you think a locally determined notification would have on organisers of community events?

		Yes	No	Don't know
A	Reduce the burden	X		
B	Increase the burden		X	

25. Should the number of TENS which can be given in respect of individual premises be increased?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
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26. If yes, please select one option to indicate which you would prefer:

15	<input type="checkbox"/>
18	<input checked="" type="checkbox"/>
Don't know	<input type="checkbox"/>

27. Do you think that licensing authorities should have local discretion around late night refreshment in each of the following ways?

		Yes	No	Don't know
A	Determining that premises in certain areas are exempt	Yes		
B	Determining that certain premises types are exempt in their local area	Yes		

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

		Yes	No	Don't know
A	Motorway service areas should receive a nationally prescribed exemption from regulations for the provision of late night refreshment	Yes		

29. Please describe in the box below any other types of premises to which you think a nationally prescribed exemption should apply (keeping your views to a maximum of 100 words):

An exemption should apply for premises that are already licensed for the sale or supply of alcohol and provision of regulated entertainment, where the provision for late night refreshment is on the premises only and up to a maximum of 30 minutes following the last time for licensable activities or the stipulated closing time on the face of the licence, whichever is sooner.

30. Do you agree with each of the following proposals?

		Yes	No	Don't know
A	Remove requirements to advertise licensing applications in local newspapers	Yes		
B	Remove the centrally imposed prohibition on the sale of alcohol at MSAs for the on and off-trade	Yes		
C	Remove the centrally imposed prohibition on the sale of alcohol at MSAs but only in respect of overnight accommodation – "lodges"		No	
D	Remove or simplify requirements to renew personal licences under the 2003 Act	Yes		

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

		Yes	No	Don't know
A	Remove requirements to advertise licensing applications in local newspapers	Yes		
B	Remove the centrally imposed prohibition on the sale of alcohol at MSAs for the on and off-trade	Yes		
C	Remove the centrally imposed prohibition on the sale of alcohol at MSAs but only in respect of overnight accommodation – "lodges"	Yes		
D	Remove or simplify requirements to renew personal licences under the 2003 Act	Yes		

32. Do you think that the following measures would impact adversely on one or more of the licensing objectives (see glossary)?

		Yes	No	Don't know
A	Remove requirements to advertise licensing applications in local newspapers		No	
B	Remove the centrally imposed prohibition on the sale of alcohol at MSAs for the on and off-trade		No	
C	Remove the centrally imposed prohibition on the sale of alcohol at MSAs but only in respect of overnight accommodation – "lodges"		No	
D	Remove or simplify requirements to renew personal licences under the 2003 Act		No	

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? (Please specify in the box below keeping your views to a maximum of 200 words):

1. In relation to removal newspaper advert, given the cost and the limited information put into adverts, they can be misleading as to nature of application and cause representations that are misinformed
2. Summary review process under S.53A: Better guidance as to when process is to be used. 2 working day deadline for police to apply for and serve summary review notice following any incident of serious crime and disorder leading to summary review
3. Complete removal of reference to a set plan scale (i.e. in Minor variation forms where still saying 1:100 scale); simple reference to the plan having to be to scale and the scale used to be stated.
4. A blanket exemption on opening hours for all licensable activities at premises licensed for on-sales under the LA2003 on New Year's Eve until the start of trading the following day

5. Invoices must be sent out by LA's for annual fee 28 days prior to fee being due so that we do not risk our premises licence being suspended due to late payment.
6. An updated list of Responsible Authorities published on each council website with a single address for each RA.
7. New or varied premises licences to be re-issued by councils within 6 weeks of application being granted/ decided at hearing
8. Cost of replacement licence and plan to be £10.50 for all 3 parts, not individual fees for licence, summary and plan
9. Plans to be produced with each licence issued by LA
10. All LA's to have an online licensing register.
11. We also propose that S54 (4) & (5) Licensing (Scotland) Act 2005 be implemented within the Licensing Act 2003. Under this provision a premises licence holder can notify the licensing board that the designated premises manager has left the business and a six week grace period is automatically created in which the premises can continue to trade and no offence will have been committed provided that upon expiration of the six week period an application to appoint a new premises manager must have been submitted during that time. This will save significant administrative burden and loss of trade for businesses whereby a designated premises supervisor leaves a business unexpectedly.

06 February 2013