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## **Challenging Scotland's relationship with alcohol: a discussion paper on our strategic approach**

### **SGF Response**

#### **Key Points Summary**

- The Scottish Grocers Federation (SGF) accepts Scotland has a complex relationship with alcohol. A strategic approach is required to significantly alter this drinking culture.
- SGF is concerned that pursuing a “one size fits all” approach over the long term can lead to the perception that individuals are not expected to be responsible for their own behaviour. This would make it even more difficult to change behaviours and attitudes to alcohol misuse.
- We recognise the need for, and have no issue with specific actions and interventions which tackle binge drinkers, underage drinkers as well as hazardous and harmful alcohol consumption. Part of this strategy must recognise the need for education, early intervention and delivering the message of the benefits of sensible drinking.
- The Licensing (Scotland) Act 2005 has already put in place a robust structural framework to tackle alcohol misuse including mandatory training for all those who sell alcohol and strict controls on the display of alcohol. When the Act comes into force in September 2009 the benefits will start to be realised.
- Until current legislation is fully enforced SGF believe there is little to be gained from creating additional legislation.
- Government is considering a sweeping intervention in the market place, by restricting companies' ability to compete and to artificially inflate the price of alcoholic products. This intervention will lead to significant disadvantages for millions of Scottish consumers. It is therefore crucial that there is a credible evidence base for taking action. At this stage it is not clear what that evidence base is.
- Promotional activity in a convenience store is designed to boost footfall and increase a retailer's market share. Promotions benefit the vast majority of responsible adult consumers that buy alcohol in Scotland. It seems particularly

harsh to penalise those who drink responsibly, adding additional pressure to household budgets, particularly as we face an economic downturn.

- SGF is not aware of any convenience stores that sell alcohol products below cost and believe this practice is irresponsible.
- SGF does not support the introduction of minimum pricing which will increase the level of cross border shopping, benefit internet sales of alcohol and penalise the poorest in society.
- SGF is opposed to increasing the minimum age at which it is legal to purchase off-sales alcohol from 18 to 21. This measure is discriminatory on a personal and commercial level as it excludes on-sales and would establish ridiculous anomalies.
- SGF does not support a social responsibility fee. This is essentially a tax on selling alcohol which would be punitive and indiscriminate and in addition to licence fees which have increased for small retailers by 667%.
- For small independent convenience store retailers window bills represent the only realistic method of advertising their special offers or promotions whilst large operators can afford radio, print and TV advertising. Any restrictions on promotional material relating to alcohol should apply across all forms of media or not at all.
- SGF do not believe that alcohol should be subject to a separate checkout procedure in retail stores. As well as this being impractical, there would be disproportionate cost implications for small stores if they were required to accommodate separate checkouts for alcohol.
- SGF supports all till operators, from September 2009, being a minimum age of 18.

## **Background**

1. The Scottish Grocers' Federation (SGF) is the trade association for the Scottish Convenience Store Sector. It is the authoritative voice for the trade to both policy makers and the media.
2. The SGF brings together retailers throughout Scotland, from most of the Scottish Co-ops, Somerfield, SPAR and local independents who are our largest category of members. Our members sell a wide selection of products and services throughout local town centre, rural and community stores. According to recent statistics (2007) there are just over 5,600 convenience stores throughout Scotland, with annual sales in excess of £3.2 billion.
3. SGF is a member of the Scottish Government/Alcohol Industry Partnership – a unique partnership which is delivering tangible outcomes to tackle alcohol misuse. In addition SGF is a partner of Alcohol Awareness Week established in 2007 by the Alcohol Industry Partnership in association with the Scottish Government to promote a joined-up message about responsible consumption of alcohol.

4. SGF works closely with its partner organisation, the Association of Convenience Stores (ACS), which represents the convenience store sector throughout England and Wales.

## **Introduction**

5. SGF welcomes the opportunity to respond to the Scottish Government's consultation "Changing Scotland's relationship with alcohol: a discussion paper on our strategic approach".
6. SGF recognises we all have a part to play in understanding and addressing Scotland's complex relationship with alcohol. SGF members contribute to changing this drinking culture by running responsible businesses and focussing on the prevention of underage sales through operational measures that drive up standards.
7. As responsible community retailers our members view themselves as a "good neighbour", providing a range of services and products within an attractive retail environment, in town centres and rural communities. They provide a vital service to some of the most isolated and vulnerable people in our society and ensure the long term viability and vitality of our high streets which are under increasing threat from out of town developments.
8. SGF is concerned there is a real danger of losing the support of the general public if the responsible behaviour of the majority of people who consume alcohol is not recognised. Pursuing a "one size fits all" approach over the long term can lead to the perception that individuals are not expected to be responsible for their own behaviour. This would make it even more difficult to change behaviours and attitudes to alcohol misuse. However we recognise the need for, and have no issue with specific actions and interventions which tackle binge drinkers, underage drinkers as well as hazardous and harmful alcohol consumption.
9. SGF are of the opinion that it would be inappropriate to consider any further legislation until the Licensing (Scotland) 2005 Act has come fully into force. The Scottish Government has stated licence fee levels will not be reviewed until after the Act has come fully into force. It is only correct that a similar approach is applied to all sections of the Act.
10. If there is to be new legislation or regulation it is important that appropriate lead-in times are established. These proposals, if introduced, would represent significant changes to the trading of convenience stores. It would be inappropriate for legislation to be rushed through in order for it to be included in the Licensing (Scotland) Act 2005 when it comes into force in September 2009.
11. Consideration must be given to the cost implications for business of these proposals. Businesses should not incur costs for regulations which ultimately prove unsuccessful in preventing alcohol misuse. SGF believe a Retail Impact Assessment must be carried out prior to any legislative decisions being taken and would welcome the opportunity to participate in this process.
12. There is little difference between price and availability across the UK. However, the issue of alcohol misuse is greater in Scotland compared to the rest of the UK.

In addition there are many countries which have a higher per capita consumption rate than Scotland, but not the problems associated with alcohol as in Scotland, indicating this is a cultural issue.

13. Scotland's relationship with alcohol is complex. The key issue is changing our culture and encouraging awareness of sensible drinking, a process which SGF are committed to working with Government. Part of this strategy must recognise the need for education, early intervention and delivering the message of the benefits of sensible drinking.
14. There is adequate legislation available at the moment to control alcohol misuse but it is not being enforced. Until current legislation is used to the full SGF believe there is little to be gained from creating further legislation. Adequate support to the police and authorities and greater use of existing powers would resolve many of the issues surrounding alcohol misuse including underage sales and proxy purchasing (adults who purchase alcohol with the sole intent of passing it on to youngsters) without the need for new legislation.
15. SGF would like there to be more focus on individual responsibility, an important consideration which must not be ignored in this debate.
16. SGF is concerned that with the objective to introduce a whole population based approach to lower alcohol consumption, targeted approaches to tackle alcohol misuse amongst problem groups including binge and chronic drinking, have been overlooked.
17. Additional regulation would stifle entrepreneurial spirit and would make it particularly difficult for small and new businesses to enter the market.

## **Price and Promotions**

### *Evidence based regulation*

18. Government is considering a sweeping intervention in the market place, by restricting companies' ability to compete and to artificially inflate the price of alcoholic products. This intervention will lead to significant disadvantages for millions of Scottish consumers. It is therefore crucial that there is a credible evidence base for taking action. At this stage it is not clear what that evidence base is.
19. The consultation document demonstrates the extent to which alcohol affordability has increased over generations. It also notes that alcohol has become more affordable alongside a range of other products, such as groceries and food. Scotland is a more affluent society today than in the past. However the consultation fails to establish the link between increased affordability and problem drinking.

20. We know that there are three main problem groups:

- a. underage drinkers
- b. 18-24 year old binge drinkers
- c. chronic drinkers.<sup>1</sup>

It is therefore important that interventions are the most appropriate for targeting these groups. As it stands the evidence shows the relationship between price and behaviour in these groups is unsophisticated and inconclusive. More importantly there is no clear evidence about what interventions would actually affect behaviour in these groups.

21. On a population wide basis the consultation compares Scotland with the rest of the UK and to other EU nations. It shows that reductions have been achieved, for example in France and in Italy. However in neither of these countries has the catalyst for change been increased prices. Furthermore figures for the cost of alcohol throughout the UK reveal the off-sales price of alcohol in Scotland is marginally higher than the rest of the UK<sup>2</sup>. This would imply that in relation to Scotland's troubled relationship with alcohol other factors are at play, including cultural issues.

22. Scottish Government's own study in 2007<sup>3</sup> failed to show a conclusive link between promotions, price and consumption in problem groups. The UK Government has commissioned a study into the links in these areas which is still to be published. Until such time as these issues are properly examined the types of interventions considered are wholly untested.

23. In fact there is no evidence to suggest that increasing prices to a manipulated minimum will reduce demand. Research shows that the heaviest drinkers are less responsive to price than those who drink moderately or occasionally.<sup>4</sup> It would appear unlikely that price control used in isolation would have any material effect on sales and alcohol misuse but could ultimately harm the most vulnerable in society.

24. Those young binge drinkers 18-24 tend to have proportionately high amounts of disposable income and therefore are most likely to be able to absorb significant price increases before a change in behaviour. Price rises will affect those with either higher financial commitments like young families, or lower incomes like older people more acutely. These are not the problem groups.

### **Irresponsible Promotions and Below-Cost Selling**

25. Promotional activity in a convenience store is designed to promote business not only on the product or products involved but also across the store generally. It is intended to increase footfall and increase a retailer's market share. Promotions benefit the vast majority of responsible adult consumers that buy alcohol in Scotland. It seems particularly harsh to penalise those who drink responsibly adding additional pressure to household budgets particularly as we face an economic downturn.

26. To ban promotions such as “buy one get one half-price” or similar would push retailers into offering lower cost per unit products which do not involve free stock. The effective price, however, would be the same or even cheaper, for example a three bottles for £10 offer on wine would become £3.33 or even £3.29 per bottle. We would suggest that this is not the intended consequence of controlled promotions. It would also lead to competitive advantages for those with the market power to buy and sell the product cheapest.
27. SGF would support the banning of the word “free” in promotions but wish to retain the ability to offer promotional activity.

### *Loss leading*

28. SGF is not aware of any convenience stores that sell alcohol products below cost and believe this practice is irresponsible.
29. Legislation to prevent loss leader promotions is difficult to devise, because, the components of cost price differ between retailers, with the large supermarkets enjoying a much lower price than a typical convenience store. In addition, separate discounts and contributions from suppliers could constitute an even lower cost price structure. Therefore below-cost activity could mean something different in each store group resulting in the control of this type of activity being virtually impossible.
30. In principle SGF opposes below cost selling.

### **Minimum Pricing**

31. SGF believes the following two criteria have to be satisfied before Scottish Government should progress policy in this area:
- a. There should be clear evidence of how increasing minimum prices will eradicate the problems associated with excessive drinking.
  - b. That minimum pricing is legal and cannot be challenged in a court of law.
32. SGF remains highly sceptical that the evidence supports Government intervention to artificially inflate the price of alcohol in Scotland. We also have direct concerns with the workability and consequences of a minimum price in Scotland.
33. Minimum pricing is design to specifically price alcohol out of the range of people on low incomes. This is particularly unfair as not all those on low incomes are problem drinkers. The Scottish Government should apply more specific measures to target problem drinkers.

### *Shopping across borders*

34. There are significant dangers to the competitiveness of the retail sector arising from a Scotland specific solution.

35. Minimum pricing is likely to lead to an increase in the level of cross border shopping to the North of England which could have damaging and lasting consequences for off sales retailers particularly those located in the south and central regions of Scotland.
36. The introduction of minimum pricing is likely to benefit internet sales of alcohol. Clearly this would be damaging to the trade of many small retailers in Scotland without affecting the consumption of alcohol.
37. Minimum pricing would play into the hands of bootleggers and “white van man” as consumers turn to illegal channels to purchase alcohol to avoid higher prices. This may in part be shopping across the border to England or other EU neighbours. However the experience of the organised illegal trade is that it is unregulated, unlicensed and quickly dominated by illegal gangs, with international connections. In addition the products involved shift quickly from non duty paid product to counterfeit products. These products have no quality control and present real dangers to consumers. This is very much the case in tobacco where the supply networks are extensive; we are likely to see these same networks exploited for an illegal alcohol trade.
38. An unintended consequence of the suggested measures included within this consultation paper could be a boost to the black market at the expense of small legitimate retailers, unable to continue trading due to the excessive burden of tax and regulation.
39. When considering minimum pricing it is important to ensure that a Scottish alcohol policy works on a fair and level playing field within a broader UK and European level.

#### *Price setting*

40. It has been suggested that the minimum price would be set by Scottish Ministers. This proposal challenges the concept of a “free-market-place” of which competitive pricing is the keystone and does not address competition law concerns. If Scottish Ministers are responsible for setting the minimum price per unit of alcohol, recognising the numerous organisations involved in this discussion have very different agendas, how will the Government demonstrate it is impartial and will not be unduly influenced by the a particular view point?
41. Clarification is required regarding the measures to be introduced to ensure a balanced view was taken relating to any changes to the level of minimum pricing.

#### *Legality of minimum pricing*

42. Interference in the workings of the UK alcohol market would likely put Scottish retailers at a significant disadvantage and undermine the interests of the Scottish consumer. It is unclear the extent to which the Scottish Government has the legal powers to interfere in the market.

43. We believe minimum pricing is challengeable under UK and EU law. We ask at the very least for a definitive legal view to be brought forward by the Scottish Government before any action is taken.
44. We would be very concerned if new legislation was subsequently challenged. The intervening period is likely to be one in which Scottish retailers lose out.
45. Before the Scottish Government pursues a policy intervention in this area there is an important responsibility to establish two criteria.
- a. That there is evidence that increasing the price will have a direct impact on the priority groups and that this is in line with the objectives.
  - b. That the Government has the legal power to undertake these measures, in terms of UK and EU law.

If these are established we would urge further consultation on implementing a minimum pricing approach. SGF would welcome the opportunity to contribute to such a consultation.

#### **Recommendation 1**

- A separate consultation on minimum pricing.
- An end to below cost selling.
- Banning the use of the word “free” on promotions.

#### **Information for Parents**

46. SGF believe the key to tackling the issue of alcohol misuse and Scotland’s complex relationship with alcohol is early intervention. Parents must be supported and encouraged to discuss alcohol and sensible drinking with their child from as early a stage as possible.
47. A survey published by the charity, Princes Trust, found that one in three young people in the UK say they do not think of their own parents as people they respect. A third (32%) said self-confidence was the single most likely thing to hold them back in life. Other issues cited as holding young people back included not enough job opportunities, lack of training opportunities, not having the right qualifications and not having enough qualifications. SGF believe many of Scotland’s issues with alcohol stem from poor education and lack of career opportunities. Until society can improve young people’s self confidence, self respect and respect for others it is unlikely there will be a positive cultural shift within Scotland.
48. Parents and families are key to altering Scotland’s drinking cultural by ensuring children are introduced to alcohol responsibly in a safe, controlled environment. Part of this requires parents to take responsibility for their own behaviour and attitude to alcohol and to acknowledge that children invariably learn by example.
49. For too many young people socialising with their peers revolves around consuming alcohol. The Scottish Government and Local Authorities must provide better

community engagement for young people. During the Armadale pilot scheme, West Lothian Council recognised the need to offer alternatives for young people and provided free swimming along with other youth activities. Initiatives such as the Bank of Scotland Midnight Football League have been very successful in taking boys and girls off the streets and providing healthy and character building opportunities. Such initiatives within local communities should be developed further.

50. SGF would welcome measures to ensure when a child is apprehended by police for underage drinking at the very minimum parents are notified by letter of their child's actions. SGF would encourage moves by police to request parents attend a police station with their child to discuss, in the presence of a police officer, the child's behaviour. In addition SGF calls for the establishment of a register of names of all children who are found by police to be consuming alcohol underage
51. SGF would welcome an improvement in delivery of substance misuse education within schools and in particular alcohol misuse. SGF believe alcohol education should be introduced as early as possible into the school curriculum. Consideration should be given to the possibility of introducing the services of alcohol industry experts, health professionals and voluntary and community workers with expert knowledge in alcohol issues to be invited into schools to assist teachers with alcohol education.

#### **Minimum Legal Purchase Age for Alcohol**

52. SGF is opposed to increasing the minimum age at which it is legal to purchase off-sales alcohol from 18 to 21.
53. In 2005-2006 only seven people aged under 18 were proceeded against in Scottish courts for buying alcohol or consuming alcohol in a bar. In addition, only eighty-six individuals were proceeded against in 2005-2006 for proxy purchasing. These figures would suggest that either underage drinking is not a problem in Scotland or the current law is not being properly enforced. Clearly it is the latter and SGF can see no reason for the creation of further legislation when existing legislation is not being properly enforced.
54. The Government recently launched a campaign to stamp out age-related discrimination urging Scots to look past the age and see the person, yet this consultation paper includes a proposal which would discriminate on age. SGF is aware the Scottish Government is in favour of lowering the age at which it is legal to vote from 18 to 16 in order to re-engage young citizens, and avoid the current anomalies faced by young adults. Currently an 18 year old in Scotland can vote, marry, drive, pay taxes, join the Armed Forces and be sent on active duty in Afghanistan, yet under this proposal they would be unable to purchase a can of lager or bottle of wine to drink, safely, in the comfort of their home.
55. SGF is not aware of any evidence which suggests anti social behaviour is solely or even in the majority of cases as a direct result of convenience stores selling alcohol. This measure is discriminatory on a commercial level as it excludes on-sales and would set up ridiculous anomalies. It sends out a message to young people that whilst it is acceptable for them to consume alcohol in a pub, they

cannot be trusted to purchase alcohol to consume at home. Furthermore, it takes no account of a person who for a number of reasons including work commitments, childcare or location in a rural area is unable to go to a pub, but who, under this measure, would not be considered responsible enough to drink at home.

56. SGF would suggest the Scottish Government's views on age are confusing and illogical. Banning off sales purchases to a person aged under 21 implies it is the social norm for an 18 to 21 year old to drink irresponsibly, a view which is inconsistent, unfair and not supported by evidence. This measure would penalise the vast majority of 18 to 21 year olds who drink sensibly. Alcohol misuse is not a problem specific to young adults – adults of all ages misuse alcohol.
57. The Scottish Liquor Licensing Statistics, 2007 identify there are 6,232 off-sale premises in Scotland and 13,003 on-sale premises. This proposal would force more young people into public houses, hotels and clubs, which already outweigh off-licences in number, thereby increasing pressure on maintaining public order especially at the end of an evening as people leave licence premises to make their way home.
58. Banning off sales to 18 to 21 year olds could result in consumers in this group turning to illegal channels to purchase alcohol.
59. SGF members contribute to changing Scotland's drinking culture by running responsible businesses and focussing on the prevention of underage sales through operational measures that drive up standards (Annex 1). These measures include:
  - Extensive and ongoing training of all staff in the responsible selling of all licensed goods. Many members operate procedures which prevent a new member of staff from operating a till until training has been carried out.
  - "Challenge 21" and "Challenge 25" policies, supported with highly visible marketing materials in stores.
  - Stores with the available resources operate visual till prompts on the touch screens of electronic cash registers, including "age calculators", to assist staff with age recognition.
  - Test purchasing drives carried out by independent companies.
  - Refusals Register – a log of all sales refused including a description of the person who attempted to make the sale together with a description of the product and the date and time the incident took place.
60. SGF members recruit responsible young people to pursue a career in the grocery trade. As part of their training, and a requirement of the Licensing (Scotland) Act 2005, these young people are trained to be personal licence holders. This measure, would lead to a personal licence holder, under the age of 21, with the authority and training to sell alcohol responsibly and check proof of age, being unable to purchase alcohol where they work but being able to enter a bar and purchase the same products.

61. Reference is made in the consultation to the pilot project in Armadale, West Lothian, when off-licence retailers participated in a six week voluntary ban on the sale of alcohol to under 21's, two nights a week. Results from the pilot scheme reported a reduction in the level of vandalism and anti social behaviour. When reviewing these results it must be taken into consideration that this project benefited from significant resources to help bring about the results, including an increased police presence. It is impossible to predict, if a similar scheme were to be rolled out across Scotland, if the same results would occur and if over time such a ban would prove to be a long term solution.
62. Prior to proposing changes to social legislation it is essential there is robust and extensive research conducted. This consultation paper does not make a convincing case for the implementation of this measure.
63. SGF would prefer enforcement of the current legislation. This means prosecuting retailers who repeatedly sell alcohol to underage children and enforcing the law when adults purchase alcohol with the specific intention of passing it on to children, even if the adult is the child's relative or friend. In addition, children must be held responsible for their actions. If they attempt to purchase alcohol under age then they should be charged and prosecuted. SGF is aware of the reluctance of the Crown Office to prosecute young people. However, this is the law and should be enforced.
64. Many SGF members operate a Challenge 21 or Challenge 25 policy within their stores to prevent the sale of alcohol to underage persons. SGF would support a voluntary commitment to a Challenge 21 policy across all its members with a view to extending this by agreement to all alcohol related retailers both off and on-sales.
65. SGF is aware of a lack of confidence within the alcohol industry to accept a proof of age card as a legitimate form of identification due to the fact that many are easily forged. Licence premises are very aware that making the mistake of selling alcohol to someone underage comes with the threat of losing your business or your job, as well as fines and possible prison sentences and subsequently, licensees, concerned at the possibility of losing their licence are frequently not prepared to take risk of accepting a proof of age card.
66. SGF has petitioned the Scottish Parliament for a single nationally recognised proof of age card. With the support of a Government awareness raising campaign, a proof of age card could contribute to creating a culture in which young people automatically present proof of age, when purchasing age related products, which was accepted with confidence by the licence trade industry. SGF would encourage the Government to support this campaign by emphasising the proof of age element of the Young Scot card.
67. The consultation paper discusses the need to create a culture in Scotland where alcohol is uniformly viewed and used as a positive part of people's social enjoyment and interaction. However, this proposal to increase the purchase age within off-sales is likely to demonise alcohol and increase the fascination surrounding it.
68. SGF believe proxy purchasing represents a much greater problem than the prosecution figures suggest. There is no easy solution to prevent this crime which

is difficult to detect at store level. SGF would support and encourage the launch of a consumer awareness campaign to raise awareness of proxy purchasing and the effect it can have on communities that it is a crime to purchase alcohol with the intention of passing it on to a child and the need to report to the police incidents information relating to proxy purchasing.

### **SGF Recommendation 2**

- A voluntary commitment from all off-sales licence premises to enforce a “Challenge 21” policy.
- A single nationally recognised Proof of Age Card (National Entitlement Card) supported by a Government backed awareness raising programme.
- The launch of a consumer awareness campaign to raise awareness of proxy purchasing and the effect it can have on communities.

### **Social Responsibility Fee**

69. SGF are concerned a social responsibility fee is essentially a tax on selling alcohol which would be punitive and indiscriminate and in addition to licence fees which have increased for small retailers by 667%. SGF members operate small stores that are unable to easily absorb the additional costs that go hand-in-hand with any new legislation. There will be a point at which convenience store retailers, who already have to deal with an increased burden of regulation, will be unable to continue trading.

70. The Licensing (Scotland) Act 2005 has already put in place a robust structural framework to tackle alcohol misuse including mandatory training for all those who sell alcohol and strict controls on the display of alcohol. When the Act comes into force in September 2009 the benefits will start to be realised. These measures taken in conjunction with the highly responsible measures outlined in Annex 1 ensure SGF members are responsible retailers at the frontline of preventing underage sales.

71. SGF are concerned that a social responsibility fee would wrongly single out thousands of small retailers as being responsible for alcohol related harm. The consultation paper appears to take no cognisance of those premises which practice responsible retailing and those who do not. A fairer approach would be to encourage responsible practices, including a Responsible Retailing Charter and initiatives which encourage co-operation between the trade and authorities such as the Safe Off Sales (SOS) scheme in Edinburgh, and to penalise the premises which create an additional workload for the police and authorities.

72. Licensees who repeatedly break the law thereby encouraging anti social behaviour should be penalised appropriately and accordingly, responsibly run premises, recognised and rewarded.

73. Social responsibility rests with the consumer who must acknowledge the need for personal responsibility. If an individual conducts anti-social behaviour as a result of alcohol there are already laws in place to deal with such behaviour.

74. It has been suggested that those who profit from selling alcohol should be penalised for the consequences of alcohol consumption. If that argument is accepted then we strongly believe that the principles of fairness and proportionality should be applied. The profits of alcohol producers and large retailers are infinitely greater than of a typical convenience store. Additionally there is no justification for charging a standard fee across the country since the incidence of anti-social behaviour is not consistent across the land.

75. Currently licence fees are set according to rateable value. SGF would be opposed to a similar system operating for a social responsibility fee. A supermarket on average has a turnover 50 times higher than that of a typical convenience store. If a fee is to be imposed it must be proportionate. SGF would welcome further discussion on the appropriate mechanics to determine this proportionality.

### **SGF Recommendation 3**

- The introduction of a "Responsible Retail Charter" – a quality standard which if achieved and subject to review would result in a retailer being exempt from a social responsibility fee.
- Encourage the roll out of initiatives such as Edinburgh's Safer off Sales (SOS) which promotes a partnership between the trade, police and local authority to help reduce anti-social behaviour and alcohol related crimes.

### **Promotional Material in Licensed Premises**

76. SGF believe promotional activity should be responsible and reasonable.

77. The Licensing (Scotland) 2005 Act includes regulations which apply to promotions. If the promotion complies with the regulations of the Act it is reasonable to presume a promotion is responsible and should be acceptable for a promotion to be advertised within the store.

78. Clarification is required regarding the definition of promotional material. SGF would be strongly opposed to alcohol displayed on a sales unit which can be seen by persons outside the premises being deemed promotional material.

79. A requirement of the Licensing (Scotland) Act 2005 is the submission of a layout plan with an application for a licence. In this layout plan retailers must clearly identify the location in which alcohol will be sold, which from September 2009, will be restricted to two areas within a store. A typical convenience store is considerably smaller than a supermarket and frequently not uniform in shape and layout, making it difficult and costly to accommodate the demands of the legislation. SGF consider it would be step too far to require a convenience store retailer to change the layout of their shop and incur additional expense due to alcohol being visible to a person outside the premises.

80. Such a regulation would do nothing to tackle alcohol misuse, but could lead to the closure of independent convenience store retailers unable to meet the costs of, and comply with, further regulation.
81. Window bills are an important component of the promotional materials used by a typical store to advertise their promotions. We acknowledge there is considerable variation in the quality and quantity of window bills used by retailers but would maintain they are an essential part of the marketing mix.
82. Similarly in-store point of sale cards and posters communicate information to the customer without necessarily encouraging them to purchase products they did not originally intend to buy. SGF would therefore not support a complete ban on promotional material.
83. For small independent convenience store retailers window bills represent the only realistic method of advertising their special offers or promotions whilst large operators can afford radio, print and TV advertising. Any restrictions on promotional material relating to alcohol should apply across all forms of media or not at all.

### **Separate Checkouts for Alcohol Sales**

84. We understand the Government's concerns over the health of the nation and the desire to reduce consumption. We are aware of the need for all consumers to be conscious of the amount of alcohol they consume in view of the potential danger to health. However, we do not believe that alcohol should be subject to a separate checkout procedure in retail stores.
85. In our experience of convenience store trading, consumers do not buy alcohol by default or through tempting displays and the like but make a conscious decision as part of their shopping requirements.
86. The Licensing (Scotland) Act 2005 already deals with display requirements through its regulations and we believe that this is sufficiently robust to identify to consumers that alcohol is a controlled product and must be treated as such.
87. As implied by the name consumers tend to shop at convenience stores because they provide a fast and efficient service. Separate tills would be seen as an inconvenience and irritation for consumers.
88. For small stores, a separate check-out would be an impractical proposition due to lack of space. Many stores operate just one or two tills dealing with all sales transactions. Many customers wish to purchase a combination of products such as a newspaper, confectionery and a bottle of wine; it would be ludicrous and impractical to ask the consumer to go to a separate till for the alcohol product or products.
89. In addition, there would be disproportionate cost implications for small stores if they were required to accommodate separate checkouts for alcohol. Some retailers would have to install a new till which might require shop-fitting work with associated costs.

90. If the Government is minded to introduce the concept of separate checkouts for alcohol, SGF would insist, for the reasons given above, that this should not apply to stores with less than 280 square metres<sup>5</sup> of selling space. We looked at the possibility of the number of check-outs as a determining factor for separate checkouts but concluded that this may be open to abuse by retailers. The store size can be easily checked and is not likely to alter considerably over time.

91. With regard to the question of check-out operators required to be 18 to sell alcohol, a number of SGF members already require till operators to be 18 or over; this is part of a desire by them to be seen as responsible community retailers. If this measure was to be implemented, some shop owners may have to make sales assistants, under the age of 18, redundant. SGF would recommend starting from September 2009 new till operators will be over the age of 18.

#### **SGF Recommendation 4**

- Stores with a sales floor area less than 280 sq m are exempt from the need to provide a separate alcohol till.
- As of September 2009 no new employees operating a till will be under the age of 18.

#### **September 2008**

<sup>1</sup>Safe. Sensible. Social. The next steps in the National Alcohol Strategy, Department of Health, June 2007.

<sup>2</sup> The Relationship between Off-sales and Problem Drinking in Scotland, Scottish Executive, June 18, 2007.

<sup>3</sup>Data from Nielsen Retail Tracking of Off-Trade and On-Trade Copyright Nielson 2008

<sup>4</sup> Grunewald, P.J., Ponicki, W.R., Holder, H., Romelsjo, A (2006). Alcohol prices, beverage quality, and the demand for alcohol: quality substitutions and price elasticities. *Alcoholism: Clinical and Experimental research*, 30, 96-1005; Osterberg, E. , & Karlsson, T., Eds. (2003). *Alcohol Policies in EU member states and Norway: a collection of country reports*. Helsinki: National research and Development Centre for Welfare and Health (STAKES).

<sup>5</sup> This threshold size has a precedent in UK legislation in relation to Sunday trading in England and shelf-edge labelling requirements throughout the UK.

## Annex 1

### SGF Member Commitment to Responsible Retailing of Alcohol

A number of SGF members will submit their own response to the consultation, however, to help put in context the seriousness with which SGF members view the sale of alcohol the following represents a small sample of member company commitments to responsible retailing.

<p><b><u>Botterill's</u></b> <b><u>Convenience</u></b> <b><u>Stores</u></b></p>	<p><b>Head Office Induction</b></p> <p>ALL new members of staff must attend a one-day induction course held at Head Office. A section on Age Related Products is covered and all staff must pass the Spar To sell or not to sell Assessment, each member of staff is given a Legal / Best Practice card.</p> <p>Induction DVD is shown as to how to refuse a sale named "God loves a Trier"</p> <p><b>In store Induction Booklet</b></p> <p>ALL staff must complete the legislation section of the Induction Booklet before being allowed to serve on the till.</p> <p><b>To sell or not to sell</b></p> <p>Full use of Spar To sell or not to sell pack, which includes:</p> <ul style="list-style-type: none"><li>• A3 Age restricted poster – MUST be displayed in staff area</li><li>• Refusal/Incident Book</li><li>• "Sorry" we refused you cards given to anyone who is refused</li><li>• To sell or not to sell refresher training given to ALL staff yearly</li></ul> <p><b>Challenge 25</b></p> <p>All Challenge 25 material is used, this includes:</p> <ul style="list-style-type: none"><li>• Shelf Talkers</li><li>• Posters</li><li>• Door Signage</li><li>• Badges</li><li>• T – Shirts</li></ul> <p><b>Test Purchasing</b></p> <p>Internal Test Purchasing – Average 156 Per Quarter External Test Purchasing - 52 Per Quarter</p> <p><b>BIIAB – SCPLH Training</b></p>
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**Botterill's**  
**continued**

All Managers and Supervisor receive SCPLH Training.

**Communication**

Weekly Staff Bulletin and Quarterly Company magazine  
"Grapevine"

**Legislation Audit**

Carried out Quarterly by Training Coordinators who check that all procedures are in place

**Focus Group**

Any ideas / suggestion on how the Company can improve/ help staff discussed at the Focus Group which meets Quarterly

**Till Prompts**

All tills have Age Related prompts

**Store of the Period - Responsible Store**

Visited by the Directors 3 times per year. Award for Responsible Store of the Period and Responsible Store of the Year.

**Awards**

**Scottish Grocer Awards – Training Initiative**

Winner – 1999  
Runner Up – 2000  
Winner – 2001  
Highly Commended - 2006

**SLTN Social Responsibility Awards**

Highly Commended - 2006

**CJ Lang & Son Ltd**  
**(SPAR)**

**Staff Training**

**New Starts:**

Welcome Pack which includes:

Induction Record  
Personal Training & Development Records  
Customer Care  
To Sell Or Not To Sell Booklet  
How to Deal with Violence, Aggression & Shoplifting  
Health & Safety  
Assessments on Parts 1 & 2 of the Welcome Pack  
Staff Handbook  
Performance Review at end of 12 weeks and then annually  
Audits on the above compliance

**On Going Refresher Training:**

Quarterly refresher training  
Staff quizzes  
Regular staff meetings  
Regular performance reviews

**Management & Supervisory Training:**

BIIAB SCPLH qualification  
– 6 hours off job training with exam  
Attend Local Police/Council Initiatives  
The Personal Licence Holder's Certificate will be undertaken with all relevant staff

**Staff Information**

To Sell or Not to Sell Poster  
To Sell or Not to Sell Credit Card issued to all staff  
To Sell or not to Sell updates (new booklets)  
Refusal book  
Refusal Log on Till  
25 Years ID sign/We ID over 25 badges  
Permitted Off Licence Hours sign  
No ID – No Sale sign  
Licensing Legislation sign & Right to refuse sale of alcohol if passed on to under 18's sign

**Other 'Due Diligence' information**

Staff rotas (under 18's employed as shelf fillers, not on tills)  
Incident reporting system to Security  
Head Office meetings with Area management  
Area meetings with store management  
Scanning tills (time bar and age bar)  
Test Purchasing Audits out with the permitted hours and a check to prompt for ID.

<p><b><u>Co-op</u></b></p>	<ul style="list-style-type: none"> <li>• Supportive of the Challenge 21 initiative.</li> <li>• Staff undergo intensive training in relation to age related sales</li> <li>• Undertake an internal test purchasing programme.</li> <li>• Unit labeling featured on Co-op alcohol products since 1992 and in the process of rolling out the voluntary DH label.</li> <li>• Feature the Drinkaware logo on advertisements and are supporting Drinkaware's current point of sale 'Know Your Drinks' campaign on raising unit awareness.</li> <li>• Supported the last Scottish Alcohol Awareness Week, including not advertising alcohol during the period, and will support the event again this October through point of sale materials and are encouraging MSPs to visit our stores during the campaign to better understand the retail environment.</li> <li>• Show ingredients on alcohol products and support the Scottish Executive that this should be a mandatory requirement in EU labelling legislation.</li> <li>• Key participant in the St Neots trial and its roll-out throughout the UK.</li> <li>• Involved in local community and educational projects that address alcohol issues.</li> <li>• Build relationships with local police forces</li> <li>• Tackle anti-social behaviour we play classical music outside our stores as a dispersal technique to prevent congregation of youths</li> </ul>
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