



Northern Ireland
Assembly

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

**Licensing and Registration of Clubs
(Amendment) Bill:
Wine and Spirit Trade Association and
British Retail Consortium**

7 October 2010

NORTHERN IRELAND ASSEMBLY

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**Licensing and Registration of Clubs (Amendment) Bill:
Wine and Spirit Trade Association and British Retail
Consortium**

7 October 2010

Members present for all or part of the proceedings:

Mr Simon Hamilton (Chairperson)
Mrs Mary Bradley
Mr Mickey Brady
Mr Jonathan Craig
Mr Alex Easton
Ms Anna Lo
Mr Fra McCann

Witnesses:

Mr Jeremy Beadles) Wine and Spirit Trade Association

Mr Andrew Opie) British Retail Consortium

The Chairperson (Mr Hamilton):

I welcome Jeremy Beadles, chief executive of the Wine and Spirit Trade Association (WSTA), and Andrew Opie, food policy director at the British Retail Consortium (BRC). Thank you for coming over to brief the Committee. I just want to remind you about mobile phones, in part because the proceedings are being recorded by Hansard as part of our report on the Licensing and Registration of Clubs (Amendment) Bill.

Mr Jeremy Beadles (Wine and Spirit Trade Association):

There will be quite a lot of overlap between the two organisations, because we share a lot of the

same member companies. I run the Wine and Spirit Trade Association, which has 310 member companies. We have a membership across the entire wine and spirits supply chain: importers and producers of wine and spirit products, including a number of businesses established in Northern Ireland, such as Bushmills, Guinness and the like; and, through the supply chain, wholesalers and retailers in both the on-licence and off-licence trade. We have all the major supermarkets and off-licence chains. Andrew's membership includes the same off-licence businesses.

Our day-to-day work is all about alcohol. Andrew's day-to-day work covers all issues across the retail sector. As well as working on behalf of our membership with governments across the UK and Europe, we run a range of sensible drinking activities, such as Challenge 25, which I am sure you have seen in stores across the North, community alcohol partnerships, the Campaign for Smarter Drinking, Drinkaware, and a whole range of initiatives that I can take you through if you are interested.

We do not have many significant comments in relation to the evidence that we presented to the Committee. With regard to the concept of penalty points, we are fully in favour of action to tackle underage drinking. Our two organisations have been at the forefront of tackling underage drinking across the whole of the UK over the past five years. Challenge 21, which has now become Challenge 25, is a national scheme run out of my offices and supported by all the national retailers of alcohol and a whole range of independent businesses. We believe that premises that intentionally sell alcohol to young people should be shut down. If that is the intention of those retailers, they do not have a right to have a licence and it should be taken away from them.

We are concerned about the penalty points system, predominantly around the concept that no discretion is given to the court; anyone found selling alcohol to someone underage twice in a three-year period will lose their licence for a period. The three-year period is considerably longer than in any other market. It is a three-month period in England and Wales. A superstore services 100,000 customers a week and may employ 200-plus checkout assistants. A store could lose its licence if one checkout assistant made a mistake at the beginning of year one and another checkout assistant made a mistake just before the end of year three. That seems excessive to us. In a small store environment, that could be two people making a mistake three years apart and their business would, effectively, be finished. Mistakes do happen.

We run Challenge 25, rather than Challenge 21. That means that if you are lucky enough to look anywhere near the age of 25, you will be asked for ID. If you cannot produce it, you will not be served.

The Chairperson:

It is a cross to bear, isn't it, Fra? *[Laughter.]*

Mr Beadles:

It has not happened to me in a while, but, when it happens to my friends, they are always delighted. My personal assistant is 28 but looks 16, and she gets challenged everywhere she goes, which is an irritant to her.

Our view is that something should be done in that area. We are not convinced that three years is a reasonable timescale. The courts should have some discretion in identifying when problems arise, because there can be genuine mistakes. We have done a lot of research into why shop assistants, even after training — they get very well trained by retailers — make mistakes. A lot of the time, it is because they are not very good at judging age. It will not surprise the Committee to know that men over the age of 40 are very poor at judging the age of young women between the ages of 16 and 25, and quite often make mistakes in that area. That is not just an excuse. We did research with chief police officers from around the UK, and put panels of young people in front of them. We discovered that the police are also pretty useless at identifying age. Thus, we use 25, because it gives more room for error.

In terms of the proof of age scheme that has been mentioned, obviously, we already do Challenge 25, and, therefore, are entirely supportive of the concept. However, we are nervous about the detail of regulation, because we do not want to create a new and different scheme with new and different page and training requirements from those that are already successfully in place. Our offer is to work with government to develop the second stage of the guidance and regulations to ensure that the good practice that we have built up over the past five years becomes part of the process rather than being superseded.

The Committee should note that the English Government in Whitehall brought in exactly the same piece of legislation earlier in the year; it came into force on 1 October. However, before that legislation had even come into force, the Government were consulting on removing it. The

reason for that was that, in their view, it was going to undermine the voluntary Challenge 25 scheme, making it impossible for retailers to operate that, because they would have to operate a mandatory Challenge 18 scheme. We know from past experience that the Challenge 18 scheme is not as good and challenges only people who look 18 years old. I ask the Committee to take on board what is happening on the issue in England. However, we are entirely behind the concept of a proof of age scheme.

My final comment is about police powers to close premises. We recognise that, when there is trouble in an area, the police need those powers. However, we ask that, for any expected or future trouble, some thought and credibility be given to how proportionate decisions are made. Having the power to close all premises in an entire area because there is, for example, a football match going on, may not be what we are seeking to achieve. That should be considered in the guidance that sits behind the regulations.

Mr Andrew Opie (British Retail Consortium):

I have very little to add to Jeremy's comprehensive introduction. As he said, we share members across the piece. For clarity, the BRC represents food and non-food retailers, including all the major grocery retailers that you are familiar with and all those that are represented in Northern Ireland. In total, our members sell about 90% of the UK's groceries, which is pretty comprehensive coverage.

Unfortunately, I need to leave at 11.45 am, if that is OK with the Committee, to catch a plane.

The Chairperson:

Do you both have to leave?

Mr Beadles:

We were hoping to travel together. However, I can stay a little longer if necessary.

Mr Opie:

We are happy to follow up.

The Chairperson:

We can bring the meeting to a close at 11.45 am. That gives us plenty of time.

Mr Opie:

I endorse Jeremy's points. The only thing I would add is that, because our members are grocery retailers, alcohol licences, although not their main purpose of business, are an important part of it. The majority of consumers coming into our stores to buy alcohol do so as part of a wider grocery sale. Therefore, any impact from, for example, closure, would have a wider impact on the business's overall sales and not just on its alcohol sales.

The Chairperson:

Society takes a dim view of the sale of alcohol to minors and its consequences. What is the thrust of your collective argument — is it the lack of discretion or the time period? There is no doubt that these things happen, particularly when it comes to the scale of some of the members that you both have.

Mr Beadles:

I think it is both. A superstore might have six different store managers and 2,000 or 3,000 sales assistants in a three-year period in the life cycle of the business. The aim of the legislation should be to tackle problem premises that are repeat offenders — I am not sure that something that happens twice in a three-year period is a repeat offence. I also believe that there should be an opportunity for a business to defend itself in circumstances that allow the courts some discretion to take those circumstances into account. If, for example, the shop assistant who made the sale of alcohol was a student on his or her last day of work, had fallen out with the boss and did not give a hoot, but the licensee was a known and well-regarded person, it would seem a shame if the court could not take those things into account.

The Chairperson:

Personally speaking, I do not think that that type of scenario would be credible. There would be an issue, say, if a customer was challenged, but produced documentation that was a very good forgery. That is something that could be taken into consideration. However, sloppy behaviour by employees is a different matter altogether. Those employees are part of the overall corporate entity, and, whether they are junior or not, the organisation is still responsible for their actions. I understand your point, and it is something that the Committee can look into.

Mr Beadles:

There are always circumstances that, in our view, the courts should have an opportunity to take into account, rather than just having to shut premises. It may be that the licensing officers will say that the store is a really good one with a great track record that has had two isolated incidents over a three-year period.

Mr Opie:

The second point builds on the argument about the timescale. We absolutely endorse action against irresponsible retailers. We have always said that, and our members have always agreed with that policy. We have no problem with targeted enforcement to close irresponsible retailers. However, a shorter period than three years would show a systemic failure in a business that one would need and want to address quickly. In England, two failures in a three-month period are enough for someone to ask what is going on.

You asked whether businesses are taking the matter seriously enough. If any of our members get a failure, they want to know about it immediately. They want to know what is happening in the store and what the store manager is doing. They will review the situation and try to ensure that it does not happen again. However, we are talking about a fairly lengthy period, and, as Jeremy said, lots of people could have worked in that store.

We know that smaller stores often have problems late at night with intimidation. There may be one or two people in the store who, when faced with a group of youths, are put under a lot of pressure to sell. There may even be people outside who are put under pressure to go in and buy on the youths' behalf. We should not underestimate the problem of intimidation, particularly for owners of small stores. It is less of an issue for the larger stores, which have security staff and more colleagues around to support them. Intimidation is something that could be taken into account when exercising the discretion that we talked about.

Mr Craig:

You have raised an interesting point. I note the position in England. I strongly argue that three months is far too short a period, though one can argue that three years is far too long. The Committee can look at this interesting issue and try to find a better balance.

You might know the answer to this question about the powers of closure. Is there anywhere

else in the UK where powers of closure have been used for major sporting events?

Mr Beadles:

There are agreements in place around some of the major football grounds on match days. However, they are not closures which the police enforce on businesses, but closures where pub and shop owners agree that, for a period during match days, they will not be open. It takes place for a time on match days by voluntary agreement between them and their competitor businesses.

Mr Craig:

That is a common sense approach by everyone. I have always said that common sense is the way to go, but, let us face it, it does not always prevail.

Mr Beadles:

Yes, and it is difficult to express in legislation.

Mr Craig:

The local authority has to pick up the pieces at the end of the day should it all go wrong. Should it not have the ability to make a judgement and have the right to close premises to prevent public disorder? To my mind, that is probably a more sensible approach. However, you are concerned about the abuse of that power.

Mr Beadles:

Yes. I want a proportionate approach — closing for a couple of hours during match day, rather than for 48 hours, and not just one shop closing while competitor shops all around remain open.

Mr Craig:

There is a balance to be struck in all that, but I am not against the police having the ability to do that. You have raised an interesting problem, and I can see the difficulty with this. How does one link any shop or off-licence to an incident that occurs maybe as much as 100 yards down the road from it? What is the direct link?

Mr Beadles:

Where does individual responsibility come in?

Mr Craig:

I am interested to hear your views with regard to that. In your experience, is there anywhere else in the UK where something has been introduced to try to get around that issue? Sometimes there is a clear link between sales from off-licence A and trouble in area B.

Mr Beadles:

I can answer that in a number of ways. The Licensing Act 2003 does not permit a licensing authority in England and Wales to impose a condition on a premises that does not relate geographically to that particular premises. It cannot impose a condition on a supermarket because someone was drunk in the city centre three hours later.

So how do you make the link? There is a scheme that has run a number of times in the UK which is flawed but keeps being repeated because it is very well promoted by the people who did it in the first place. It is called bottle marking. That is where product from a particular shop is marked, so that the police can identify, when they catch young kids with it, where the product came from. The flaw in the process is that the police then take the marked product back into the shop, tell the shop that they have just taken it from kids, and ask what the shop will do about it. The shop's response is to ask who bought it, and to offer the police its CCTV footage for the last 48 hours. It does not provide the link between the one and the other, because so often the alcohol that the kids had was bought by an adult. Therefore, the shop has committed no crime whatsoever. Survey figures in the UK suggest that well over 50% of the alcohol that kids have is given to them by their parents.

Conceptually, bottle marking sounds like the right way to go about this. However, in a superstore environment, the packaging means, for example, that packs of beer have to be taken apart to mark each can, and then they have to be put back together. It is logistically impossible. It does not work, and it has never led to any action or prosecution as a result.

We have had a lot of success with a major project that we run called community alcohol partnerships. Those started in a small market town in Cambridgeshire called St Neots. In that area, a group of retailers — led by our organisation — the local authority and local police got together and recognised that they had a problem with young people drinking in the town parks and getting hold of alcohol etc, and that they should work together to sort it out as a partnership. They brought in local health and education authorities, schools and things like that, and we

worked on a pilot project there for six months.

Although it was a small project, the results were extremely encouraging in that they reduced the level of underage sales, underage drinking in the parks, and alcohol litter in public arenas, which is a fairly good indication of where the kids have been drinking, because they are not very good at taking their litter home with them — if it is there, they have probably been there. It involved a whole range of projects, including shutting down proxy purchase things and watching kids who were approaching adults going into stores. A trading standards officer in the store would tap the adult on the shoulder and say that if they bought that bottle of vodka, there would be a £5,000 fine, and then suggest they put it down.

All of that stuff was included in press releases, and the PR that they got was phenomenal, because it broadened the scale. Retailers went into schools and explained that, although for kids it was just a game going into a shop trying to buy alcohol, they could lose their job, end up with a criminal record or lose their licence and livelihood. There is a lot of impact. The results were very positive, but it was a small pilot project, so for the next stage we went to Kent County Council and ran a project across the whole of Kent with the police and the health and education teams there. The reduction in alcohol-related issues in the areas we were working in was significant — there was a 17% reduction in the first nine months of operation.

As a project, so far it seems to work better in small market towns and suburban areas than in city centres. We have not quite got it right in relation to the city centre night-time economy, but we are working on that. We now have 31 partnerships in operation across England and Wales with another 10 on the move, and we are now resourcing it full time from my offices in London. We have a conversation ongoing with Derry City Council about the first one over here. It is a way of tackling local issues and getting things like diversionary activities involved — getting kids away from thinking that the only thing they have to do is sit in a park and drink and getting them involved in playing football, dance, art, and things like that.

Businesses are investing in those hugely successful projects. I will be very happy to come over and present the details of the findings on another occasion. We are very keen to get it working in Derry and wherever else people in Northern Ireland want it, because we think it is a great solution. It tackles a lot of the problems by working together, rather than seeing the retailer as the enemy.

Ms Lo:

My question may not be directly relevant to the current legislation, but I want to ask it. There has always been a lot of criticism of the irresponsible sale of drink by off-licences and irresponsible promotion of cheap alcohol in supermarkets. I am an MLA for South Belfast — you are both from England, are you?

Mr Beadles:

I was born in Sion Mills, actually.

Mr Lo:

There are a lot of students here in a place called the Holylands, and on certain days such as St Patrick's Day and festivals, students go mad drinking. A number of off-licences have been seen or criticised for still selling drinks to young men and women when they are totally intoxicated. Supermarkets are also sometimes selling a bottle of beer for less than a bottle of water. How do you think your two organisations can have some positive influence on that?

The Chairperson:

To add to that, Anna, are you aware that the Department is considering outlawing several so-called irresponsible drinks promotions?

Mr Beadles:

We noticed that earlier this week, and although we discussed it, we have not had time to go through the proposals in detail, but we will come back to you on them. A range of promotions that are included there would not be allowed by our self regulation, according to the Portman Group code, which applies to all alcohol promotions. The code simply does not allow promotions aimed at young people or based on the strength of a product, so we do not do them. In addition, we do not do buy one, get one free (BOGOF) promotions; we have not done a BOGOF on alcohol for at least three or four years. We will, however, come back to you in detail on some elements of it. In particular, we are concerned about linear pricing, which we believe encourages businesses to stop selling smaller quantities of alcohol. To explain things in detail and to understand the issues, we will need to come back with charts, price points and so on.

It is against the law for businesses to sell alcohol to intoxicated people, so, other than having

the law enforced against those businesses, we do not need anything else. You cannot sell alcohol to someone who is intoxicated. Yes, it can be difficult to make that judgement, but, if a business sells to drunk people, powers exist for the police to close that business down, and they should do so. If it is a repeat offence, the police should take action to make the licensee aware of the issue, and if they are not prepared to stop doing it, they should be shut down.

Mr Opie:

Having spoken to our members, we know that less than 1% of customers come in purely to buy alcohol. The bulk of customers who come in to our stores are there to buy their weekly groceries, and they may buy alcohol —

Ms Lo:

What about on Saturday nights at 9.00 pm?

Mr Opie:

Stores in England that can open 24 hours in the run-up to Christmas find that late Saturday night and early Sunday morning is a successful period for them, because people can come when no one else is there. The key point is that, whatever we do, our aim is to promote to families. That is the core of our business; customers come in to buy the family groceries, and that is where supermarkets compete. Yes, there is some promotion on alcohol, as there is on other products, but we think that we conduct those promotions responsibly. We certainly do not treat alcohol in the same way that we would treat a tin of baked beans. We look at these things seriously, and we support all the initiatives that Jeremy has talked about. For us, and the figures back us up, it is about achieving a balance and making sure that the vast majority of people who drink responsibly and who come into our stores to buy a bottle of wine to enjoy at home with the family in a very safe environment are not penalised for the sake of the minority who perhaps drink irresponsibly. That is the key issue in all of this.

Mr Easton:

I broadly support what we are trying to do, and I am particularly keen for the police to have the power to close premises. Nevertheless, to take on board what is being said, there must be a responsible measure for doing that, and we need to ensure that it is done even-handedly.

With respect to premises that are caught twice selling alcohol to underage people, although I

am sympathetic to the idea of punishing repeat offenders, three years is quite harsh. I doubt very much that any off-licence in Northern Ireland will not have sold, at least accidentally, to young people twice in three years. If you go down that route, you may have to close every off-licence. We need to get a better balance. I am not against the idea for repeat offenders, but the three-year period is far too harsh. I am certainly keen to cut down alcohol use among underage drinkers, and the media and education schemes that you outlined, along with increasing the cost of alcohol to put it out of the range of such people, are key areas. However, to be honest, the three-year period is a bit harsh.

Mr Brady:

If legislation is introduced that entails enforcement, that enforcement needs to be effective. Do you find that, in England, there is uniformity in enforcement, or are there areas where the Trading Standards Service is more zealous?

The issuing of bags with the names of off-licences has been discussed here. We tend to get these blue bags that could come from anywhere. It is a bit like the bottle marking; it is not infallible, but it may be a deterrent. In the area that I represent, which is on the border, huge amounts of alcohol are sold. Sainsbury's in Newry has the highest turnover of alcohol in any off-licence in Ireland or Britain, particularly at Christmas when it amounts to about £1 million a weekend, mostly from Southern shoppers. That might take the problem out of our area. However, there have been incidents where staff in off-licences have been underage and underpaid. You may or may not have come across that problem. It does not happen often, but it has happened.

Mr Beadles:

I very much doubt that any of our national or local members would employ anyone underage.

Mr Brady:

It is not common, but it has happened. However, I am interested in the question of enforcement.

Mr Beadles:

We would love to see the same form of enforcement across the UK. It will never happen. Localism means that people react differently, and, given that we operate a national organisation and deal with national businesses, we spend a lot of our time going to local areas to explain why,

based on experience in another area, their plans are not necessarily a great idea. Enforcement will always change. One issue that we struggle with is that it is better local public relations to try to catch Tesco or Sainsbury's selling to underage people than to go after a problem business. We find that a lot of the enforcement budget is often spent on sending 30 or 40 test purchasers to one superstore in a day until they get a result. I am not sure that that is what enforcement is about.

Bags for off-licences would provide an indicator to police that they have a problem with particular premises. I do not think that it could ever be used in legal action or in a court against an off-licence. However, it would be an indicator to police that a particular store is becoming a problem. They could use that as a first line. Effectively, it could inform enforcement. In our view, there is not enough enforcement of the laws that we already have. There are lots of laws around alcohol that are never enforced, such as laws on serving drunks and on underage people who try to buy alcohol.

Mr Brady:

I am interested in some of the schemes that you mentioned. I was at a meeting about antisocial behaviour in our constituency last night. A lot of that happens along the towpath at the Newry canal, and underage drinking is a huge part of the problem. However, people from the Adolescent Partnership in Newry were at the meeting and talked about engagement with young people. That works for a lot of them. There will be a hard core who simply will not engage, but they are in the minority. You mentioned some schemes; community partnerships seem to be the way forward.

Mr Beadles:

It is a great way to get business money into local communities. Businesses all have local community engagement budgets to use. We draw down on those for community alcohol partnerships and find ways to engage young people in local schemes. At the beginning of the project in Kent, we ran a scheme where four young people were involved in a local youth project. By the end of it, there were 70 of them playing football and doing dance, art and a range of things, because they had been given the opportunity. To be honest, none of them ever realised that the scheme existed before. It had not been promoting itself.

Mr Brady:

Boredom is a big reason why they drink outdoors, because there is nowhere else to go.

Statistically, in the North, 10 years ago, 78% of alcohol was consumed in pubs. That has gone down now to 23%, and the majority of alcohol is consumed in the home or outside.

Mr Beadles:

That is across Europe and in the US. That is a result of changing lifestyles: people have nicer homes, with flat-screen TVs, DVD players, Playstations, they are entertaining more at home, going to the pub later, and the smoking ban.

Mr Brady:

And also cheaper drink.

Mr Beadles:

Coffee shops have taken away a lot of pub custom. A whole range of things are going on.

Mr Brady:

In our area, cheap alcohol is probably one of the main issues.

Mr Beadles:

The differential between one and the other. The key thing, however, is that they are not the same type of business. A pub supplies more than the alcohol. It supplies the premises, the electricity, a nice person standing behind the bar, and things like that. It is a very different business.

Mr Brady:

Here, it is a cultural thing. More than 100 pubs have closed across the North in the past couple of years, so there is, in a sense, a change in culture.

Mr Beadles:

Yes, I agree that that is going on across the UK and Europe. We are seeing it, and it is a challenge for the widest possible industry that I represent in the supply chain, because we are obviously quite keen on selling products through pubs. It is presenting the industry with a lot of challenges.

Mr Opie:

We have no problem with targeted enforcement. We want to see all enforcement around the

better regulation principles — it should be targeted, should be based on evidence and should go for those that are the most risk. You should put your resources into that and learn from previous things such as test purchasing exercises, which, in our experience in England, has not always been the case. I endorse Jeremy's point: the figures show that the major supermarkets have a disproportionate amount of test purchasing, but their results in passing test purchases are much better than any other sector.

Mr Beadles:

By miles.

Mr Opie:

So there is a disconnect there. One slightly flippant point about bags: we have another conversation going on with the Assembly at the moment about reducing the number of bags, which is, as you are aware, quite a sensitive issue for retailers. Bags may not be the answer.
[Laughter.]

Mrs M Bradley:

I see a bit of a problem, particularly in a supermarket situation, that when they get to the liquor department, they are even allowed in. They then go to the checkouts, and it is young students working late evenings who have to deal with them. The students have to argue and whatever goes on there with those who want to come through with alcohol. They do their very best to check people's ages. I must say that they do hold to the law, because I had occasion to be behind one in a queue one night. Off-licences and liquor marts in supermarkets are where ID should be checked.

The point about plastic bags is just a no-no. The owner of an off-licence in my area put his name on his bags. The minute they came outside the door they took the drink out of the bags, rolled the bags up, and put them in their pockets until they got to wherever they could get rid of them. They were strewn all over the streets. When the police went to where they were drinking, there was not a plastic bag to be seen. That idea is not a winner, and would be most difficult to implement.

However, age checks should be made on entering liquor departments in supermarkets and off-licences, rather than letting them get to a checkout.

Mr Opie:

Northern Ireland is unique compared with England in that alcohol is deliberately displayed in a discrete area of the store. There is still a challenge at one point in the store, either going into the discrete area or at the till. Whichever way you go, those young people, who may be in a big group and may be aggressive, will still be challenged at some point.

Mr Beadles:

They would have to be challenged twice. You would have to challenge them at the point of sale as well, because the legal duty is at the point of sale.

Mrs M Bradley:

They would be more adamant when they had the liquor in their hands, rather than if they were stopped before they got in to purchase it and pick it up.

Mr Beadles:

But you would have to challenge them twice: to stop them going in, and at the sale point, otherwise someone else could hand them a bottle.

Mrs M Bradley:

It is very difficult, it really is. And see as regards the three-year one: when they get the three months first, is a strict warning given if that occurs again?

Mr Beadles:

In England, it is two strikes and you lose your licence for a period. If you get two underage sales in three months, your licence is reviewed. It is done on a strict basis.

Mrs M Bradley:

When the police came to us, they said that they would not close a bar until after they had negotiated with the owner. Did they not say that? I think they did.

The Chairperson:

They said that they would have a conversation with the bar owner.

Mrs M Bradley:

They said that a conversation would take place between them and the owner.

Mr Opie:

That is reassuring, because that is what we are talking about — that kind of guidance and proportionality.

Mrs M Bradley:

That is what the local police said to us, anyway.

Mr Beadles:

Engaging with wider business, one issue that can occur in a national business is that head office does not necessarily know that a test purchase has taken place in one of its stores. Therefore, it does not necessarily know that it needs to step in to change the process, et cetera, or, perhaps, that the store manager is the problem. One thing that we encourage is ensuring that when a failure is identified in the process and procedure, the store is, then, properly engaged and a conversation had as soon as there has been one test purchase failure and not when there have been two test failures.

Mrs M Bradley:

I welcome the idea that you mentioned about consultation in Derry. I am well aware that it is happening. There are loads of people involved, including police and schools.

Mr Beadles:

Anything that you can do to encourage them will be appreciated.

Mrs M Bradley:

I will see what I can do when I get home.

Mr Beadles:

Navigating the politics of Derry is a challenge for anyone. *[Laughter.]*

The Chairperson:

We have almost reached the time when you need to leave. I want to ask two quick questions. We

can find out concrete data on closures under the legislation and on businesses that have had two strikes within three months. Are you aware that any of your members have fallen victim to that?

Mr Opie:

Yes.

The Chairperson:

They have already fallen victim to that. Is it a sizeable number?

Mr Beadles:

No, it is not a sizeable number, but there were some big names.

The Chairperson:

That is intriguing. Are these big-name shops or national chains whose individual stores —

Mr Beadles:

They got two strikes, which meant that their licences were reviewed and they were closed for a period. Sometimes, that is for 24 hours, 48 hours, a week or longer. I think that the longest one was for three months. A three-month licence revocation for a superstore means millions of pounds in lost revenue. For a small store, it is the end of the business. If a small off-licence is closed for three months, it is finished.

Mr Opie:

The damage to reputation is also key. Obviously, the local press picks that up. No supermarket wants that kind of publicity.

The Chairperson:

On an unrelated issue, what position have your two organisations taken in respect of the Scottish Government's attempts to introduce minimum alcohol prices?

Mr Beadles:

I am a fervent opponent of minimum pricing. Market intervention in that way is not the route to take to tackle the issue. It is about pricing poor people out of buying alcohol, not about tackling alcohol misuse. It is untargeted — it affects every single person who drinks, not just those who

misuse alcohol. It raises a range of competition issues, and I am fairly certain that it is illegal under European competition law.

I am more than happy to share with the Committee our detailed examination of the subject. We have spent the past three years in dialogue, debate and frenetic argument with the Scottish Government about that particular message. It is a complex issue. It has been claimed that minimum pricing has been proven to work. My first argument is that it has never been tried anywhere in the world and, therefore, cannot be a proven solution. That is the starting point.

Pricing based on a minimum per unit would affect every single drinker in the population. Is that the right way to do it, or should we be tackling problem drinkers? I believe that they have the least price elasticity; moderate drinkers give up alcohol when the price increases, but problem drinkers do not. They give up other things instead. You will find that minimum pricing is not the solution that it has been painted to be. I am happy to share extremely detailed work on the subject with the Committee.

Mr Opie:

Absolutely. I am happy to do the same.

The Chairperson:

I think that I knew the answer to that question before I asked it. *[Laughter.]* I thought that I would do you the courtesy of asking.

Mr Opie:

It has been quite well publicised.

Mr Beadles:

We have made our views fairly well known during the past few years. Debate has raged.

Ms Lo:

Surely the increase in the price of cigarettes has a major effect on people giving up smoking.

Mr Beadles:

The only people who are affected by increases in the price of cigarettes are smokers. All

cigarettes kill you and are bad for you. However, the majority of people are moderate drinkers. Indeed, a moderate amount of alcohol is good for you; there are proven social and health benefits from taking a moderate amount of alcohol. This would punish the majority of people in trying to tackle the minority. My view is that the minority are the people who are least affected by price changes. Tobacco and alcohol need to be looked at in very different ways.

We already have, in comparative terms, the highest levels of wine and beer tax anywhere in Europe — we have just overtaken the Republic again after its tax went back down — and the third highest level of tax on spirits. Pricing here is radically different to that in France, Spain, Italy, Germany, Portugal and so on. Those countries do not have the same kinds of alcohol misuse issues. The only areas that have the same types of alcohol misuse issues as us are in northern European countries, where pricing is high.

The Chairperson:

You have already said that you are forming a view on the irresponsible drinks promotions. The Department is thinking about the pricing issue, and we will come back to you when that comes up. It would be much appreciated if you would feed your views on irresponsible drinks promotions back to us, when those have been formed.

It is only a little after 11.45 am. Thanks very much.

Mr Opie:

He was getting nervous. Thanks very much.

Mr Beadles:

Thanks very much.