

Research and Information Service Bill Paper

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Tobacco Retailers Bill

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This paper provides information on the Tobacco Retailers Bill, which will require local councils to maintain a register of tobacco retailers within their area. The paper highlights key provisions within the Bill and, where appropriate, draws comparisons with existing schemes in Scotland and the Republic of Ireland.

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Key Points

- The Tobacco Retailers Bill aims to toughen sanctions against retailers who sell tobacco to under-18s. The Bill will require councils to maintain a register of persons carrying on a tobacco business in their district.
- Similar schemes already exist in Scotland and the Republic of Ireland.
- In Scotland and the Republic of Ireland responsibility for the schemes is centralised with some functions devolved to councils. The Executive's Bill envisages responsibility lying primarily with each council.
- It will be an offence for a retailer to sell tobacco if they are not registered or fail to inform the relevant council of changes to their details, including if they no longer sell tobacco.
- Councils will be given enforcement powers to ensure compliance with the new laws and fixed penalties will be issued where offences have occurred.
- Persistent violation of the law will result in restricted premises orders (an order prohibiting the sale on the premises to which it relates of any tobacco product) or restricted sale order (effectively a ban against the person from selling tobacco or having any management functions in respect thereof).
- In the Republic of Ireland registered retailers are required to display a
 prescribed sign informing customers that they are registered to sell tobacco. In
 Scotland, retailers found to be in violation of the law must display a 'name and
 shame' sign on their premises.

Executive Summary

The Tobacco Retailers Bill will introduce a registration scheme for tobacco retailers and amends the Health and Personal Social Services (Northern Ireland) Order 1978 to allow for fixed penalties to be issued for selling tobacco to underage persons. The Bill received its second stage reading in the Assembly on 23 April 2013.

The Bill combines a registration scheme with elements of a negative licensing scheme (a negative licensing scheme means that persistent violation of the law results in the withdrawal of the retailer's right to sell tobacco). When commenced, retailers will have to register within the relevant local council area if they wish to sell tobacco and will have to notify changes to the council if they want to add or remove premises from the register. Authorised officers from councils will have the power to enforce the provisions within the Bill, including the power to issue fixed penalties where retailers commit an offence.

Persistent offences against the law could result in restricted premises orders or restricted sales orders along with the potential for fines to be imposed.

In addition, the Health and Personal Social Services (Northern Ireland) Order 1978 will be amended to strengthen enforcement action and sanctions against retailers selling tobacco to underage persons.

Scotland and the Republic of Ireland

Similar registration schemes already exist in Scotland and the Republic of Ireland and the Bill mirrors aspects of the existing legislation in these jurisdictions, particularly the Tobacco and Primary Medical Services (Scotland) Act 2010.

In England and Wales new legislation on retailer sanctions came into force on 1 April 2009. This was by a negative licensing system which allows magistrates to impose orders banning sales of tobacco products for up to a year for persistent flouting of the age of sale law.

Responsibility for establishment and maintenance of the register of retailers in Scotland and the Republic of Ireland lies primarily with the Government, with some functions delegated to local authorities in Scotland.

Registration is free for retailers in Scotland but those in the Republic of Ireland are required to pay €50 to register. The Tobacco Retailers Bill provides for the setting of fees in connection with registration.

A further provision in Scotland (Section 19 of 2010 Act) is a 'name-and-shame' requirement for a retailer served with a banning order to display a sign to this effect. In the Republic of Ireland, registered retailers must display a sign prescribed in Regulations advising people that the premises is registered to sell tobacco.

Offences

There are a number of offences contained within the Bill, including failure to register as a tobacco retailer while selling tobacco; carrying on a tobacco business at a premises other than that in the register; failure to notify changes in relation to that person's entry on the register; selling tobacco while under a restricted premises order and failure to comply with a restricted sale order.

Where a restricted premises order is made in respect of registered premises, the register will be amended to remove that premises.

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1 Introduction

This briefing paper provides information on the Tobacco Retailers Bill. The Bill will require retailers wishing to sell tobacco products to register their premises with the relevant local council. Each council is required to maintain a register of tobacco retailers in their area and councils will be given powers to enforce compliance with the new regime. The Bill also amends the Health and Personal Social Services (Northern Ireland) Order 1978 to allow for fixed penalties to be issued for selling tobacco to underage persons.

There are six parts to the Bill containing 26 clauses in total. The four main parts are:

- Part 1: Register of tobacco retailers
- Part 2: Persistent commission of tobacco offences
- Part 3: Offences
- Part 4: Enforcement powers etc.

Two parts of the Bill deal with supplementary and general provisions.

Registers of tobacco retailers are already in existence in other jurisdictions, including Scotland and the Republic of Ireland. Where appropriate, comparisons are made with the legislation and practice in these places, particularly in Scotland, from which the Executive's Bill more closely resembles.

2 Background to the Bill

A consultation was carried out on the policy proposals informing the draft Bill from 14 December 2009 to 12 March 2010. The consultation outlined six options for strengthening sanctions against retailers who repeatedly break the law regarding underage sales of tobacco products. The options ranged from maintaining the status quo (i.e. do nothing) to combining a registration scheme with a negative licensing scheme (a negative licensing scheme means that persistent violation of the law results in the withdrawal of the retailer's right to sell tobacco¹)².

The option chosen by the Department to inform the Bill was that of a combined registration and negative licensing scheme. It was felt that this would provide a further deterrent to retailers from selling tobacco to those aged under 18, as a number of

¹ A positive licensing scheme means that retailers have to apply for a licence before legally selling tobacco products and the right to hold the licence would be dependent on compliance with tobacco control legislation.

² The full range of options can be found in the consultation paper: <u>http://www.dhsspsni.gov.uk/2009-retailer-tobacco-sanctions-</u> <u>guestionnaire.pdf</u>

tobacco offences could result in retailers being banned from selling tobacco for up to one year³.

Negative v Positive licensing schemes

Figure 1 outlines the pros and cons of negative and positive licensing schemes. There was some debate ahead of the introduction of the Tobacco and Primary Medical Services (Scotland) Act 2010 about the effectiveness of the two licensing schemes.

Figure 1: Pros and cons of negative and positive licensing schemes
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Negat	Negative Licensing Positive Licensing		
Enables anyone to sell tobacco without having to actively apply for a licence. An outlet that has been shown to sell tobacco to under-age customers can be subject to a prohibition order preventing them from selling tobacco, either temporarily or permanently. They are therefore free to sell tobacco until or unless they are shown to have flouted the age restriction and sanctions are applied.		Requires that all retailers who wish to sell tobacco make a formal application for a licence, as with the current system for the sale of alcohol. Such a system actively links compliance with tobacco control legislation with the right to sell tobacco products. Should a retailer be shown to be selling tobacco to under-age customers, this licence can be withdrawn, either permanently or for a finite period of time.	
Pros	Cons	Pros	Cons
There are no fees or compliance costs for businesses.	It is not pro-active and prevention oriented, but responds to breaches in legislation after they occur.	Provides an opportunity for targeted education and information for retailers through the licence application process and through the provision of a comprehensive record of all tobacco retailers.	Imposes administrative costs on governments (although such costs may be recovered by charging retailers for licence applications and renewals and through fines).
It provides some level of deterrence for legislative breaches.	It does not provide a comprehensive record of all tobacco retailers, reducing the ability of health authorities to undertake targeted education and information campaigns.	Is consistent with the message that selling tobacco – a dangerous product – is similar to other activities that carry a potential health risk in that it is a conditional privilege rather than an unconditional right.	Imposes an administrative cost to businesses in the retail sector
There is little administration, leading to lower costs for local authorities.	It does not provide members of the public with information about who is responsible for the sale of tobacco products (i.e. there is no licence on display).	Provides the possibility of administrative enforcement options, such as licence conditions or licence withdrawal, which are less costly than legal action through the courts.	Imposes a licence fee on businesses.
	It may provide only a weak message to retailers; if the penalty for non-compliance with the law is the "loss" of a licence that was never issued in the first place, the view may perpetuate that selling tobacco is a right and not a privilege.	Ensures that those who sell tobacco products are aware of their legal responsibilities and, through the offence of selling tobacco products without a licence, deters unscrupulous sellers.	

³ Consultation response paper: <u>http://www.dhsspsni.gov.uk/consultation-report-underage-sales-of-tobacco-products.pdf</u>

Key points from the second stage debate

The Tobacco Retailers Bill was debated at second stage on 23 April 2013. Key points raised during the debate were⁴:

- The Bill in its current form would not target those engaged in the selling of illicit tobacco. The Minister responded that the focus of the Bill was on targeting those retailers who continued to sell to under-18s. Furthermore, the Minister advised that measures to tackle the trade in illicit tobacco were likely to be outwith the competence of the Assembly. However, he gave a commitment to follow up with the Northern Ireland Office as to why no prosecutions had been made under the 1979 Tobacco Products Duty Act.
- One Member raised concerns that the wording of clause 1 which refers to 'carrying on a tobacco business' could provide a loophole that might allow retailers for whom selling tobacco was an incidental part of their business to claim that the law did not apply to them. The Minister responded that clause 22 covered all businesses involved in selling tobacco but he was happy to discuss the matter with legal advisers to ensure the wording was sufficient.

Regulating tobacco - the policy context

UK

Tobacco control policy is determined at both a UK-wide and devolved level. England, Scotland, Wales and Northern Ireland "have responsibility for their own smoking cessation and health education campaigns while UK-wide policy and law applies to taxation, smuggling, advertising, and consumer protection issues such as the provision of health warnings on tobacco packaging. Some of these measures are determined by European Union legislation."⁵

Northern Ireland

In February 2012 the Department launched its *Ten-year tobacco control strategy for Northern Ireland*⁶, the overall aim of which is to create a tobacco-free society:

The key objectives, which have been carried forward from the Tobacco Action Plan 2003-2008, are:

- fewer people starting to smoke;
- more smokers quitting; and
- protecting people from tobacco smoke⁷

⁴ <u>http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/23-April-2013/</u>

⁵ http://www.ash.org.uk/files/documents/ASH_667.pdf

⁶ <u>http://www.dhsspsni.gov.uk/tobacco_strategy___final.pdf</u>

⁷ As above

The Tobacco Retailers Bill is the latest in a series of legislation aimed at reducing smoking in Northern Ireland. The Health Act 2009⁸ (UK Parliament legislation) contained a number of provisions relating to the display and sale of tobacco products. Those provisions provided the Department with powers to lay four separate sets of regulations relating to the display of tobacco products in retail outlets and the sale of tobacco from vending machines. All four sets of draft regulations were the subject of a public consultation in the latter half of 2010, and a summary of the consultation responses was published on the Department's website in August 2011.

In January 2012 the Northern Ireland Assembly approved the **Draft Protection from Tobacco (Sales from Vending Machines) Regulations (Northern Ireland) 2012**. These regulations banned the sale of tobacco products from vending machines in Northern Ireland and brought Northern Ireland into line with the rest of the UK⁹.

Two further sets of regulations on removing tobacco displays and on specialist tobacconists were laid on 20 June 2012 under the negative resolution procedure¹⁰.

In September 2012 the Assembly approved the **Draft Tobacco Advertising and Promotion (Display of Prices) Regulations (Northern Ireland) 2012**, which set out the size, appearance and number of price lists and price labels that retailers are permitted to use to allow them to inform customers about the tobacco products that are available for sale¹¹.

⁸ <u>http://www.legislation.gov.uk/ukpga/2009/21/contents</u>

⁹ Official Report, 17 January 2012: <u>http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/17-January-2012/#a7</u>

¹⁰ Official Report, 11 September 2012: <u>http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/11-September-2012/#8</u>

¹¹ As above

3 Key aspects of the Bill

This section looks at key provisions within the Bill and where appropriate makes comparisons with similar legislation in nearby jurisdictions (Scotland and the Republic of Ireland).

Provision in Northern Ireland Tobacco Retailers Bill	What happens in Scotland?	What happens in the Republic of Ireland?
Register of tobacco retailers, application for registration, duty to notify certain changes, changes to and removal from the register	In Scotland, section 10 of Part 1 of the Tobacco and Primary Medical Services (Scotland) Act 2010 provided for a register of tobacco retailers. There is no significant difference in the process to be followed	In the Republic of Ireland Section 37 of the Public Health (Tobacco) Acts (as amended), provides for the establishment and maintenance of a register of all persons who carry on in whole or in part the
Clause1 It states that every council must maintain a register of persons carrying on a tobacco business in its district.	for registering a tobacco-selling business, but there are some differences worth highlighting.	business of selling tobacco products by retail. The Public Heath (Tobacco) (Registration) Regulations allow for the collection of the information necessary
Clause 2 sets out the application process to be undertaken by a retailer who wishes to register their premises, or to add further premises to the register. Once the application is	The register in Scotland is maintained at Government, rather than council level and it is free to register. Applications are made to the 'Scottish	for the establishment and maintenance of the Register.
granted, the Council enters the name and address of the applicant; the address of each of the premises at which the applicant proposes to carry on a tobacco business; and any	Ministers'. Unlike the Executive's Bill, Certificates of Registration are issued to applicants upon a successful application in respect of each premises	There is a €50 registration fee to register. In addition, all registered retailers must display a
other information the council considers appropriate. The council may decline an application if a restricted premises	stated in the application. There is also provision for public inspection of the register, but unlike the proposed Northern Ireland	prescribed sign where tobacco products are sold. The Public Health (Tobacco) (Retail Sign) Regulations 2009 provide that:
order is in place at any of the premises in the application or a restricted sale order has effect in respect of the applicant. The council has 28 days within which to notify the applicant of its desired.	register, but unlike the proposed Nothern related register, there is no reference to making copies and, perhaps as a result, no fees apply in Scotland for people wishing to make copies of the register.	•Only one sign per premises will be permitted •Attention shall not be drawn to the sign by means
decision. This section also allows for the charging of fees in connection with making an application. Section 2(1) allows a person to apply to be registered or to add further premises to the person's entry in the register. Section 2(7) allows for		of light, sound or any other means •No other sign, notice or display is permitted at the premises indicating that tobacco products are for sale, except for the purposes of the European Communities (Requirement to Indicate Product Prices) Regulations 2002
Regulations to provide for the charging of fees in connection with making an application under subsection 1.		•The sign must be printed on white paper or cardboard and conform to the dimensions, typeface

Clause 3 provides that a person must inform the council of any change in their name or address or if they are no longer carrying on a tobacco selling business at the address recorded in the register. They have 3 months within which to notify the council of these changes. A council will have the power to correct and make changes to the register under clause 4. If a restricted premises order has been made then it must amend the register to remove references to that premises. It may also remove a person's entry from the register if as a result of a correction or amendment due to a restricted premises order that person no longer has any premises listed against their name. A council also has the power to remove a person's entry on the Register if it is not satisfied that the person is carrying on a tobacco business (clause 4(3)(b)).	colour, font and point size of the sign prescribed in Regulations. The sign is in both Irish and English and reads: "Tobacco products on sale here to persons aged 18 and over". There is room at the bottom of the sign for the name and address of the premises and the retail register number (which the retailer receives upon admission to the register).
Reinstatement on the register is also provided for if a person has been erroneously removed under clause 4(3)(b). A person has 28 days within which to notify the council once he or she receives the notice of removal. In any case where an entry is corrected, amended, removed or reinstated, the council must inform the person. Councils must make provision for the register to be inspected and copies to be made at all reasonable hours. Subsequent regulations may provide for charging of fees in connection with copying all or parts of the register. The information contained in each council's register must be made available to all other councils and the Department (clauses 9 and 10).	

Persistent commission of tobacco offences (clauses 7,8 and 9)	In Scotland, a council can apply to the sheriff for a tobacco retailing banning order. Such an application	Penalties for offences under the Public Health Tobacco Acts are set out in section 5 of the Public
	must specify the premises from which the person is	Health (Tobacco) Act 2002 as amended.
This section of the Bill contains three clauses: restricted premises orders (clause 7); restricted sale orders (clause 8); and appeal against the making of an order under clause 7 or 8 (clause 9).	to be banned from carrying on a tobacco business. The sheriff may make an order if satisfied that on the balance of probabilities:	A person who is registered and who is convicted of an offence under the Public Health (Tobacco) Acts 2002 and 2004 will be removed from the register
A restricted premises order applies where a person is: (a)	•The person has been the subject of three or more relevant enforcement actions in respect of each	for a period of time determined by the Court.
given a fixed penalty notice in respect of a tobacco offence or (b) is convicted of a tobacco offence. In such circumstances a court may make a restricted premises order in respect of those premises. This is an order prohibiting the sale on the premises	 premises specified in the order At least one of the actions occurred in the period of two months ending on the date the application was made 	If a person has one premises registered, only the premises to which the conviction relates will be removed from the register.
to which it relates of any tobacco or cigarette papers to any person (clause 7(4)). A court can make the order only if it is	•The conduct to which the actions relate took place within a period of two years and	Following the period of removal, retailers who wish to resume selling tobacco products must submit a
satisfied that:	•The making of the order is necessary to prevent the commission of further offences under Chapter 1	new application and registration fee.
•The council has given notice of the order to all persons affected by the order	(Display, sale and purchase of tobacco products) or 2 (Register of tobacco retailers) (Section 15 of 2010	A person guilty of selling tobacco while not registered could be fined and/or imprisoned.
•On at least two other occasions within the preceding three years the offender has been given a fixed penalty notice in	Act)	
relation to the relevant premises or convicted of a tobacco offence in relation to the relevant premises	Furthermore, section 15 of the Scottish legislation provides for ancillary banning orders:	
The length of the prohibition can be specified in the order, but cannot exceed one year. The person affected by the order has the right to appeal.	Such orders are ancillary to tobacco retail banning orders granted under section 15. The application can be made along with an application for a banning	
A restricted sale order prohibits the person to whom it relates from:	order or it can be made at a later date once a banning order is in place. The order can be sought	
•Selling tobacco or cigarette papers to any person	against "P" who is the person against whom the	
•Having any management functions in respect of any premises in so far as those functions relate to the sale on the premises of tobacco or cigarette papers to any person	banning order is being sought or has already been made. An ancillary order can be sought by the council banning P from being connected to or	
•Keeping any cigarette machine on any premises for the purpose of selling tobacco permitting any cigarette machine to	seeking to control another person carrying on a tobacco business at the specified premises. In addition, where P is not an individual (e.g. where P is	

 be kept on any premises by any other person for that purpose; and Having any management functions in respect of any premises in so far as those functions relate to any cigarette machine kept on the premises for the purpose of selling tobacco. The conditions under which a restricted sale order may be served are the same as those for a restricted premises order and the person may appeal the imposition of the order within the period of 21 days from which the order is made. 	a company or partnership), an order can be sought to ban any person connected to P from carrying on a tobacco business at the specified premises or being connected to any such person. Section 16(5) defines "specified premises" to be the premises in the banning order (either being sought or already granted) to which the ancillary order relates. Section 16(4) provides when a banning order ceases to have effect any related ancillary orders will also cease to have effect ¹² .	
	A further provision in Scotland (Section 19 of 2010 Act) is a 'name-and-shame' requirement for a retailer served with a banning order to display a sign to this effect. The Act provides for the Government to prescribe the dimensions of the sign, text and size of the statement.	
 Offences Clause 10 sets out the ways in which a person might commit an offence under the terms of the proposed legislation, including: Selling tobacco while not registered (liable on summary conviction to a fine not exceeding level 5 on the standard scale¹³) Selling tobacco at a premises other than the one registered (penalty as above) 	 The provisions in the Scottish legislation are largely similar to those in Northern Ireland but persons convicted of: Selling tobacco while not registered Selling tobacco at a premises other than the one registered Breaching a retail banning order or an ancillary order 	The Public Health (Tobacco) (Amendment) Act 2009 amended the Public Health (Tobacco) Act 2002 to (a) allow for judicial discretion in imposing the periods of time a person convicted of an offence under the Act is suspended from the retail register.
 Failing to notify changes to the council (fine not exceeding level 2 on the standard scale) Selling tobacco while under a banning order (liable to a fine not exceeding £20,000) Selling tobacco while under a restricted sale order 	could also face imprisonment for up to six months as well as a fine of up to £20,000	

 ¹² Explanatory Note
 ¹³ Level 5 fine on the Standard Scale is £5,000

 Enforcement and penalties Clauses 11 and 12 provide that councils must enforce the provisions within this Act; gives authorised officers powers of entry to carry out inspections and remove documents from premises, by force if necessary; allows authorised officers to issue fixed penalties; mandates that money received from fixed penalties can only be used by Councils for purposes under the Act; makes it an offence to obstruct an authorised officer. Clause 13 allows an authorised officer of a council to issue a fixed penalty notice where he or she has reason to believe that an offence has been committed in relation to a person's entry on the register – failure to register, selling tobacco at a premises other than that registered; failure to notify the council of changes; breaching a restricted premises order or restricted sale order. The fixed penalty amount will be prescribed but a 25% discount will if the person pays within 14 days. Clause 14 states that a council must use the income received from fixed penalty notices for its functions under this legislation or such other functions as will be prescribed. Clause 16 makes it an offence to obstruct an authorised officer from carrying out his or her duties. Clause 17 provides for offences in relation to bodies corporate. 	A person who is registered with the Scottish Government and who commits three breaches of the Tobacco and Primary Medical Services (Scotland) Act 2010 within a two year period will be removed from the Register. The period of removal will be determined by the Court but can be up to 12 months ¹⁴ . The Sale of Tobacco (Registration of Moveable Structures and Fixed Penalty Notices) (Scotland) Regulations 2011 specified the amounts payable under fixed penalties, including discounts for prompt payments (25%, the same as that proposed for the Northern Ireland legislation). One notable difference is that under section 26 councils in Scotland are required to carry out an enforcement programme at least once every 12 months, involving one or both of the following: • The investigation of complaints in respect of alleged offences • The taking of other measures intended to reduce the incidence of offences	The Environmental Health Officers of the Health Service Executive are responsible for the enforcement of the legislation.
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¹⁴ <u>http://www.tobaccoregisterscotland.org/about-the-register/helpful-questions-and-answers.aspx</u>

Amendment of the Health and Personal Social Services (Northern Ireland) Order 1978
Section 18 of the Bill will insert new Sections 6A (Powers of entry), 6B (Fixed penalties for certain offences), 6C (Use of fixed penalty receipts), 6D (Withdrawal of fixed penalty notices) and 6E (Obstruction, etc. of authorised officers) into the 1978 Order.
The effect would be to strengthen enforcement action and sanctions against retailers selling tobacco to underage persons.

4 Issues for further consideration

This section highlights issues that Members may wish to explore further:

- The advantages and disadvantages of a centralised register (Scotland and the Republic of Ireland) versus 26 separate registers as envisaged for Northern Ireland? How will this work in practice in terms of the provision of information between councils?
- Signage: Should premises be required to display a sign to the effect that they are registered to sell tobacco products (as is the case in the Republic of Ireland)? Should those premises served with a restricted premises order be required to display a sign to this effect (as is the case in Scotland)?
- Will additional training be required for Environmental Health Officers to undertake the new duties envisaged in the Bill?
- Although not a part of the Bill, is it timely to consider provision of information to retailers about the proposed registration scheme and their duties under the legislation?