

## **ACS Submission: Northern Ireland Assembly Committee for Communities Call for Evidence on the Licensing and Registration of Clubs (Amendment) Bill**

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Committee for Communities call for evidence on the Licensing and Registration of Clubs (Amendment) Bill. ACS is a trade association, representing 33,500 convenience stores across the UK including the Co-op, Spar UK, Nisa Retail and thousands of independent retailers. More information on ACS is available at Annex A.

78% of convenience stores across the UK have a license to sell alcohol<sup>1</sup>. On average alcohol sales represent 15.1% of category sales in convenience stores, rising to 20.1% in independent convenience stores<sup>2</sup>. Convenience retailers are committed to promoting responsible retailing, operating age verification policies such as Challenge 25 to prevent underaged sales.

Local shops are increasingly relevant to people's lives, and this has been particularly demonstrated throughout the Coronavirus pandemic, with 30% of customers using local retailers more and 80% intending to continue using them in future<sup>3</sup>. ACS' 2020 Community Barometer, which looks at which services the public want and value, found that convenience stores were ranked as having the most positive impact on their local area, followed by post offices, pharmacies, pubs and banks<sup>4</sup>.

ACS supports the principal that the law should be updated in respect of alcohol licensing if evidence suggests that there is a need to bring it in line with the current environment. We do not agree that the Licensing and Registration of Clubs (Amendment) Bill meets its objective to provide a balanced package of measures to update the law as there are a number of clauses that would place administrative burdens on retailers and serve to stifle future innovation in the sector.

ACS has answered relevant questions from the call for evidence below. Our key concerns about the Bill include:

- Further clarity is needed on the definition of 'promotions' in the context of the Bill; similar measures implemented in Scotland have caused confusion and difficulty in enforcement.
- Restrictions on loyalty points would limit the practicality of the schemes and present operational challenges for retailers.
- Retailers selling alcohol are already heavily regulated, further measures of assurance for retailers are unnecessary and would not help to tackle issues around alcohol misuse.

### **5. Children and Young People (under the age of 18)**

**The Bill contains a number of provisions directly relevant to children and young people. The Committee is keen to hear your views on the provisions of the Bill relating to children and young people and the proposed additional safeguarding measures, where relevant.**

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<sup>1</sup> ACS Local Shop Report 2020

<sup>2</sup> ACS Local Shop Report 2020

<sup>3</sup> YouGov June 2020

<sup>4</sup> ACS Community Barometer 2020

**What are your views on:**

**(5d) The strengthening of the current law around the delivery of alcohol [Clauses 9] and the delivery of alcohol to young people [ Clause 13]?**

62% of convenience stores now offer a home delivery service; this trend increased with the Coronavirus pandemic, during which convenience stores completed over 600,000 deliveries per week<sup>5</sup>. All retailers are required by law to have an age verification policy to ensure that under 18s cannot purchase alcohol. Convenience retailers already operate age verification policies such as Challenge 25.

ACS recognises the importance of due diligence to ensure that alcohol is not provided to under 18s upon delivery and have developed assured advice for England [here](#). The requirement for identification to be recorded upon delivery would present practical difficulties for retailers and their delivery staff. In addition to updating training requirements for delivery drivers, further clarity would be needed around how valid ID could be recorded. This regulation has the potential to create significant administrative burden for retailers.

In other devolved nations (England and Wales) the law does not require mandatory age verification to be implemented upon delivery. The current law allows for future delivery solutions and scenarios where the customer is not home at the time of delivery. Means of confirming age via technological solutions are currently in development and the law should not prevent future innovations in this area.

**(5e) The prohibition on self-service and sale of alcohol by vending machines [Clauses 15 & 30]?**

The legislation should make clear that click and collect storage, self-service checkouts and other display boxes which retailers use to provide useful services to their community and enhance their offer, will not be included under this provision, and that this only applies to where the alcohol is purchased through direct payment on the vending machine. This is not clarified in the legislation and should be clearly set out.

## **6. Alcohol Consumption and Alcohol-Related Harm**

**The Bill proposes to address certain aspects of alcohol consumption and related harm, for example:**

- **Introducing a number of restrictions on off-sales drinks promotions in supermarkets [Clause 16];**

The proposals to restrict alcohol advertising to within the licensed area in stores mirrors rules in Scotland. However, the Scottish experience has shown significant confusion and difficulty in enforcing these rules, as there have been differing interpretations of 'advertising' by trading standards and other enforcement officers.

The use of promotions is an important mechanism for local shops to remain relevant to consumers, compete with large grocers and online retailers and to deliver the range of products consumers expect to see in stores. This would also prevent stores being able to alert customers to particular lines such as product from new local suppliers and small businesses. Further clarity is required on the specifics of this clause and the definition of what constitutes an off-sales drinks promotion. For example, could notices such as for seasonal promotions where retailers offer alcohol as part of a deal with food products be

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<sup>5</sup> ACS Covid-19 Impact Survey

displayed outside of the alcohol section? Could licensed stores use window graphics to inform customers that alcohol can be purchased in store?

- **Regulating the delivery of alcoholic drinks to young people [Clause 13];**

See response to 5b.

- **Prohibiting the awarding or redemption of loyalty or bonus points for the purchase of alcohol in licensed premises [Clause 17];**

Only 11% of convenience stores have a loyalty scheme<sup>6</sup>. However, these are a useful tool in retaining customers. As a high percentage of convenience store sales (15.1%) come from alcohol, applying restrictions on loyalty points for the purchase of alcohol would limit the practicality of loyalty schemes.

This clause would also present operational challenges for multiple retailers' and create inconsistency for those with stores across the devolved nations in which they allow the awarding and redemption of loyalty points for specific products or customers' grocery shops, inclusive of alcohol. Retailers loyalty schemes also often involve contributions to charities and their benefits should not be overlooked.

- **Prohibiting the sale of alcohol by way of self-service or vending machine (with certain exceptions) [Clauses 15 & 30].**

See response to 5e.

**(6b) Do you have any other comments in relation to any other aspect of the Bill in relation to alcohol consumption and alcohol-related harm?**

Tackling alcohol-related harm is most effective when offering support to individual problem drinkers to change their drinking behaviours in the long term. Drinkaware's latest data shows that 15% of drinkers are classified as higher risk, consistent with 2019<sup>7</sup>.

## **7. Regulation, Enforcement, Offences and Penalties**

**(7a) The Bill proposes to allow statutory approval for voluntary industry-led codes of practice in relation to the sale and supply of alcohol in licensed premises and registered clubs [Clauses 19 & 32]. Do you feel these are an effective means of helping to regulate the industry? If not, what alternatives would you suggest?**

Retailers selling alcohol are already heavily regulated. The alcohol licensing system is one of the most burdensome regulatory process for off-trade premises to manage. We would not support adding further complexity, cost and administration associated within the licensing system.

ACS is part of the Retail Alcohol Standards Group (RASG) that host guides for retailers on the responsible retailing of alcohol, communicate legal requirements and promote the Challenge 25 age verification policy.

Further measures of assurance for retailers are unnecessary and would not help to tackle issues around alcohol misuse. Allowing multiple bodies to create a Code of Practice could end up with codes that contradict one another and different codes for the off-trade and the on-trade.

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<sup>6</sup> ACS Local Shop Report 2020

<sup>7</sup> [Drinkaware Monitor 2020](#)

## Annex A

### ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



### WHO WE REPRESENT

#### INDEPENDENT RETAILERS



ACS represents almost 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

#### SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

#### MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 13,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

### THE CONVENIENCE SECTOR



In 2020, the total value of sales in the convenience sector was £44.7bn.

The average spend in a typical convenience store transaction is £7.46.



There are 46,955 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 412,000 people.

13% of independent/symbol stores employ family members only.



22% of shop owners work more than 60 hours per week, while 24% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

80% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2019 and May 2020, the convenience sector invested over £585m in stores.

The most popular form of investment in stores is refrigeration.

### OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

#### ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

#### ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

#### ACS LOCAL SHOP REPORT

Annual survey of around 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,700 stores. The Local Shop Report also draws on data from Lumina Intelligence, IGD, Nielsen and William Reed.

#### BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit [www.acs.org.uk](http://www.acs.org.uk)