



19 October 2016

Committee for Communities
Room 410
Parliament Buildings
BELFAST
BT4 3XX

Corporate Affairs
Asda Regional Office
150 Junction 1 Retail Park
Antrim
BT41 4GY

Dear Committee

Licensing and Registration of Clubs (Amendment) Bill

Asda submission

Introduction

Asda is Northern Ireland's second largest supermarket, with 16 food stores and a grocery market share of 17.5%. We are Northern Ireland's third largest private sector employer with more than 4,500 colleagues.

At Asda we accept the need to tackle alcohol misuse in this country, and as a responsible retailer we are committed to playing our part. We operate the highest standards with regards to the responsible retail of alcohol and we take very seriously our responsibility to promote the licensing objectives. We were the first retailer to introduce Challenge 25 in every store to crack down on underage drinking, and we conduct test purchasing on a monthly basis with the results published online. We have invested £1 million in targeted and effective action to tackle harmful drinking, delivered via Addaction, the UK's leading specialist alcohol treatment charity, and we are a leading partner of the Drink Wise, Age Well Project in NI. We ensure that the alcohol we sell is marketed responsibly, adhering to the Portman Group best practice codes for packaging and promotions and the Advertising Standards Agency codes on advertising. We have voluntarily delisted certain high alcohol products from our shelves and reduced the alcohol content of others, and we support Community Alcohol Partnerships that tackle underage drinking and related antisocial behaviour. We have encouraged government to consider taking further

steps to encourage responsible sales, including a ban on happy hours and quantity promotions on alcohol in the on-trade, which are often a contributory factor to antisocial behaviour in town centres.

Asda supports a clear, consistent and co-ordinated approach to licensing and regulation that encourages growth and investment, reduces the cost of doing business, stimulates job creation and encourages consumer confidence. We welcome the NI government's better regulation ambitions and we are keen to work in partnership to achieve these aims. Similarly we have offered our support to help Government achieve many of the outcomes in the draft Framework for Government document but our quid pro quo is that we ask in return for policies which enable us to continue to invest and grow in Northern Ireland.

We have concerns that some of the consultation proposals will run contrary to these ambitions, serving instead to increase the burden on responsible retailers. The proposals also risk undermining the professionalism of the alcohol retail industry at a time when we are seeking to promote high standards.

We need a licensing system that allows boards to address the adverse consequences of alcohol misuse and irresponsible sales, but we must also allow decent and responsible operators to run their business free of excessive and unnecessary burdens.

We welcome the opportunity to respond to the consultation and have responded below to the proposals with key relevance for our business. We hope there will be an open, evidence-based consideration of these matters.

Delivery of intoxicating liquor to young persons

We are not aware of any evidence to show that the purchase of alcohol by underage people through home delivery or wine clubs is an issue, or that legislation is needed to tackle it. Indeed, evidence shows that the vast majority of alcohol that is acquired by under-age drinkers is not acquired either through retailers or home delivery systems, but straight from parents or through proxy-purchase sales. According to the NI Young Persons' Behaviour and Attitudes Survey, 82% of pupils who have drunk alcohol have never purchased alcohol themselves. We support greater efforts by the Police to crack down on proxy purchasing, which is very difficult for retailers to address as it is often impossible for a responsible retailer to know whether an adult is purchasing alcohol for their own consumption or for an underage drinker. We would also like to see greater support for targeted, local solutions like Community Alcohol Partnerships, which aim to tackle public underage drinking through co-operation between alcohol retailers and local stakeholders, such as Trading Standards, police, local authority licensing teams, schools and health networks.

At Asda, customers are required to submit a date of birth check when they register for Grocery Home Shopping, and all our delivery drivers are trained to apply Challenge 25 on the doorstep. Our systems automatically flag when an age-restricted item is included in the delivery to ensure that our drivers apply the policy appropriately and consistently.

This amendment would require costly reworking of systems and retraining of delivery staff, without any evidence that it would help to tackle underage drinking.

Prohibition on self-service and sales by vending machines

Asda has no objection to the prohibition of the sale of alcohol by vending machines. We would wish to ensure, however, that this proposal would not be misapplied to prohibit the sale of alcohol through retailers' 'click and collect' services, whereby customers order their shopping online and collect it from a store or remote location – which can include automated lockers – at a time and date convenient to them. At Asda we apply strict age restrictions to all our online sales, including click and collect, and we have robust processes in place to require customers to prove their age when using our automated lockers. Click and collect services are very popular with customers and their use continues to grow across all types of retail. We believe that this service is fundamentally different from a vending machine service and hope that this can be recognised as the legislation progresses to avoid any unintended consequences that risk inconveniencing shoppers.

Restrictions on off-sales drinks promotions in supermarkets

We do not believe that there is a clear evidence base in support of this proposal. The licensing regime in NI for the off-trade is already restrictive and the sale and promotion of alcohol is highly regulated, both through legislation and voluntary agreements. Under our pledges made through the UK Public Health Responsibility Deal, Asda applies a voluntary ban on advertising alcohol within 200m of school premises. We also feature Drinkaware messaging on all of our alcohol advertising and promotions and comply with the best practice standards from the Portman Group and the Advertising Standards Authority.

We believe that limiting promotional material to the alcohol areas is unnecessary and ineffective regulation. In Scotland the same measures have failed to make any impact on reducing alcohol harm. They have, however, created the anomalous position whereby it is legal for Tesco to advertise alcohol within the vicinity of an Asda store and vice versa, but illegal for each retailer to advertise alcohol outside their own stores. The Bill proposes no such restrictions for alcohol producers or for pubs, many of which

include visible external advertising of alcohol. We can see no reason why this would be allowed to continue outside a pub car park but not a supermarket car park.

It is important that any regulations on advertising and marketing in and around stores learn the lessons from the development of the policy in Scotland. The original proposals in Scotland would have inadvertently required retailers selling newspapers which included alcohol advertising to sell these from the alcohol aisle and would have banned free in-store magazines which included alcohol advertising. Care must be taken to ensure this does not happen. It must also be made clear that retailers can only be held responsible for their own advertising in the vicinity of stores and not advertising by a third party over which they have no control. We note the proposed exemption for the promotion of meal deals that include alcohol, which would be a sensible move should this proposal be taken forward.

We do not believe, however, that the proposal would have any impact on patterns of consumption or harmful behaviour related to alcohol, but would increase the burden on responsible retailers.

Code of practice

We have serious concerns over the proposal to permit formal approval of codes of practice on responsible retailing. The operation of codes of this type are not subject to Executive scrutiny in the same way that licensing legislation is, and it is appropriate that licensing restrictions are fully considered by the Assembly to ensure their impact is not disproportionate or unnecessary. This provision would effectively delegate responsibility away from the Executive and could allow those that develop codes to amend and extend them as they see fit with no consultation or scrutiny. If administered incorrectly, a code of practice on retailing could cause significant damage to NI's retail sector and would also risk undermining the professionalism of the alcohol retail industry at a time when we are seeking to promote high standards.

Asda is a long-standing member of the Retail of Alcohol Standards Group (RASG), and we operate the highest standards when it comes to the responsible retail of alcohol. We believe that RASG's voluntary code of practice, which has the backing of the UK Government Home Office and is administered by the Wine and Spirits Trade Association (WSTA), is the most comprehensive and applicable code for the retail sector. It sets consistently high standards of excellence which all major national retailers are signed up to and covers broad areas including in-store promotion, age-restricted sales and home delivery. The voluntary adoption of a RASG code for NI would be the most efficient and effective way to achieve the Executive's aims whilst not placing unnecessary burdens on the retail sector.

We would be opposed to attempts to apply a code of practice governed by the hospitality sector to the retail sector. An effective code of practice requires an in-depth understanding of the sector it seeks to

govern, and there are fundamental differences between the on- and off-trade that mean that the remit of one code of practice cannot be applied to the other. Alcohol sales in the on-trade are de facto about immediate consumption on those premises, whereas alcohol sales in the off-trade are made by customers who will be consuming the alcohol later on and in a different place, and often with a wider group of family and friends. Indeed, many customers consume the alcohol they have bought in-store over several weeks or months. To avoid any conflicts of interest, or perceptions of such, we would urge the government to ensure that the introduction of any code of practice is taken forward on a sectoral basis to ensure it is fit for purpose for the sector that it intends to govern. This includes the remit of the code, its administration and the handling of rulings and complaints.

Removal of exemption for angostura bitters

We support this proposal. Asda currently age-restricts the sales of any product with an ABV of 0.5% or higher, and we support efforts to require the same high standards of our competitors.

Yours sincerely

Joe McDonald

Senior Manager, Corporate Affairs NI

████████████████████

██