

RESPONSE FORM FOR THOSE WHO SELL OR SUPPLY ALCOHOL & TRADE ASSOCIATIONS

Many adults enjoy drinking alcohol and it is up to individuals to choose whether, or how much, they drink. However alcohol is a key contributor to crime and disorder, which costs the country between £8 billion to £13 billion in a year. The Government's role is to get the balance right and make sure:

- those who sell alcohol do so responsibly; and
- everyone can make informed choices about the amount they drink.

We want to hear your views on a new code of practice to help us get the balance right between making sure that alcohol is sold responsibly while at the same time not negatively affecting the majority who do drink responsibly. The code covers three sections:

1. Mandatory licensing conditions and Food Safety Act requirements – conditions that would apply to all premises selling or supplying alcohol across England and Wales;

2. Discretionary local licensing conditions – allowing local licensing authorities to apply chosen conditions to two or more licensed premises when there is evidence of a link to alcohol-related disorder; and

3. Guidance – to make sure that the code of practice is implemented and enforced.

You will be asked to comment on the three sections covered by the code of practice. If your answers do not fit in the spaces provided, please continue on a separate sheet.

Read the full consultation document for more information at:
<http://www.homeoffice.gov.uk/about-us/haveyoursay/current-consultations/>

Please download this document and save it to your computer, fill in your responses in the tick boxes and text boxes provided and then e-mail it back to us at:

alcohol.consultation@homeoffice.gsi.gov.uk

Identifiers:

Where do you live? *(please tick one)*

- | | |
|-----------------------------|-------------------------------------|
| North East | <input type="checkbox"/> |
| North West | <input type="checkbox"/> |
| South East | <input type="checkbox"/> |
| Yorkshire and
the Humber | <input type="checkbox"/> |
| West Midlands | <input type="checkbox"/> |
| East Midlands | <input type="checkbox"/> |
| East of England | <input type="checkbox"/> |
| South West | <input type="checkbox"/> |
| London | <input checked="" type="checkbox"/> |
| Wales | <input type="checkbox"/> |
| Scotland ¹ | <input type="checkbox"/> |

Tell us your occupation or which organisation you represent:

If you are replying on behalf of an organisation or association, please can you detail how you have consulted your colleagues or members in preparing this response.

This is the response of the Portman Group - it has been agreed by our member companies.

Our member companies are: Bacardi-Martini, Beverage Brands, Brown-Forman Brands, Carlsberg, Diageo, Inbev, Molson Coors Brewers, Pernod Ricard, Scottish & Newcastle

¹ If you live in Scotland, please only answer question 5, as this is the only question which also applies to Scotland. The remainder of the questions are in relation to legislation which applies to England and Wales.

Section one, questions 1 – 4

The proposed mandatory licensing conditions and Food Safety Act requirements

1. What do you think the impact (in terms of costs and benefits) of these mandatory licensing conditions will be on your business?

The impact on suppliers is difficult to understand with the greatest impact on the retailer. The discretionary interpretation of the Code could lead to a number of inconsistencies and create many different issues for the industry to resolve.

We believe there would be significant practical difficulties for retailers and producers if there were to be regional approaches to regulation. It would mean that some products and product packaging may be acceptable in some areas of the country but not in others. This would create logistical problems for suppliers, distributors and retailers.

2. Are there any of the mandatory licensing conditions that you would not wish to be made mandatory for licensed premises? If so, why?

Mandatory Condition 1, relating to irresponsible promotions, proposes a ban on “supplying alcohol subject to conditions that encourage or reward ... the purchase and consumption of alcohol ... by the awarding of a prize, including the award of free gifts or free alcohol”. While we agree that any promotion that appears to encourage excessive drinking should be banned, as currently drafted this would seem to prevent producers from undertaking any kind of sales promotion activity in the on-trade such as competitions, giveaways, etc. Such producer marketing activities are already properly regulated by the Portman Group’s Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks. This imposes strict rules on all drinks producers; for example, it prevents any promotion with particular appeal to under-18s and outlaws any promotion of irresponsible or immoderate consumption. In any case, many of these activities are simply designed to encourage trial of the product and allow consumers to participate through the purchase of a very moderate volume of alcohol. We consider that to disallow all such activity is disproportionate.

3. Would you support the requirements for licensed premises to have to display unit and health information? Are there any types of premises that you feel should be made exempt from these requirements? If so, which types and why?

The drinks industry has recently announced the launch of a social marketing campaign aimed at encouraging more responsible drinking among young adults. This “Campaign for Smarter Drinking”, which has wide industry support and is intended to run for five years, will include point-of-sale material carrying the campaign strapline, “Why let good times go bad?” We consider

that this campaign, which emphasises the positive reasons for staying in control, is likely to be a more effective way of encouraging responsible behaviour than government-mandated health information. We are concerned that, given the competition for space within the retail environment, if premises are required to display health and unit information it may diminish their support for the industry campaign and therefore dilute the campaign's effectiveness. We therefore do not support these requirements.

4. Are there any types of licensed premises that you feel should be exempted from one or more of the mandatory conditions? If so, which types and why?

N/A

Considerations for future action, questions 5 – 6

5. Do you think that Weights and Measures legislation should continue to allow individual licence-holders to choose whether to offer either 25 ml or 35 ml single measures of certain spirits (i.e. gin, rum, vodka and whisky) or do you think that all on-trade premises should be required to offer only single spirit measures of 25 ml? Or do you think that all on-trade premises should be required to offer only single spirit measures of 35 ml? Please explain your choice.

N/A

6. Do you think that banning sales below the price level of excise duty plus VAT would be effective and proportionate in reducing irresponsible, harmful and/or binge drinking? Do you have evidence to support your view? What would be the potential costs and benefits of the impact on health, public safety, consumers, business and competition of introducing such a policy?

Producers do not control the price at which their product is sold; this is controlled by the retailer.

We recognise the concern that exists in many quarters over supermarket pricing policies. We question, however, whether policies aimed at pricing are likely to be effective in tackling alcohol-related harm. International evidence suggests that those who misuse alcohol are least likely to change their behaviour because of price changes*. Preventing sales below the price level of excise duty plus VAT is therefore unlikely to impact on the consumption patterns of misusers.

Besides this, the proportion of sales below the price level of excise duty plus VAT is likely to be very small and the price differential very slight. A ban is therefore unlikely to make much difference to average price levels in any case.

* *Effects of beverage alcohol taxes and prices on consumption – a systematic review and meta-analysis of 1003 estimates from 112 studies*, Wagenaar, A. Salois, M.J. Komro, K.A. Presented at the 34th Annual Alcohol Epidemiology Symposium of the Kettil Bruun Society for Social and Epidemiological research on Alcohol, Victoria, British Columbia, June 2-6, 2008

Section two, questions 7 – 14

The proposed discretionary local conditions:

7. What do you think the impact of these conditions will be (if they are applied by the local licensing authority) on your business?

N/A

8. Are there any of the proposed conditions that seem disproportionate or that you do not think licensing authorities should be able to use with groups of two or more premises?

We do not consider that volume-related discounts in the off-trade are necessarily harmful. While such discounts undoubtedly will impact on purchasing behaviour (i.e. they will cause some consumers to purchase greater volume on a particular shopping occasion), this does not necessarily translate into an impact on those consumers' consumption behaviour.

Furthermore, the imposition of restrictions on volume-related discounts may result in unintended side-effects. Retailers may compete instead by further reducing basic prices or there may be a move to larger-sized stock-keeping units (SKUs); either of these might undermine the intent of the Code.

9. If limits are to be placed on supermarkets, convenience stores, etc. for discounting large volumes of alcohol, what levels do you consider should be set? Should it differ for different types of drinks (beer, wine, spirits etc)?

If limits are to be placed on volume-related discounts in the off-trade, we consider that there should be a different level for beer, wine, spirits, etc, to reflect the different strengths of typical drinks in these categories. The aim should be for a consistent threshold in terms of alcohol units.

We note that the thresholds proposed do not currently include RTDs. We would suggest that RTDs should be categorised in the same way as beer because they generally have similar ABV strengths.

10. Training

How might a training requirement applied by licensing authorities to two or more premises work in practice? In particular: what should it contain; how should it be enforced; and should different schemes be available to the on-trade, off-trade and clubs?

N/A

11. Seating

What are the appropriate levels of seating that should be imposed on 'high volume vertical drinking establishments' in order to reduce the risk of nuisance and disorder?

N/A

12. Background music

Would a restriction on the level of background music contribute to a decrease in nuisance and disorder? If so, how might it be enforced?

N/A

13. Harassment/intimidation in premises

What more can be done to protect people from harassment and intimidation in and around licensed premises?

N/A

14. Door Staff

Do you think that there should be a discretionary local condition to require groups of premises to have door staff in operation during times associated with nuisance and disorder?

N/A

Section Three, Questions 15 – 16

Guidance:

15. Do you think that the enforcement process that we have suggested is appropriate? Can you suggest an alternative?

While we totally support the opportunities to tackle irresponsible practices, a main concern is around the differing potential local licensing interpretations of the Code. This could lead to one town having different regulations to another.

16. Do you think that the appeals process we have suggested is appropriate? Can you suggest an alternative?

N/A

If there is anything else you would like to tell us, including responses to the call for evidence on page 55, or any questions you would like to ask, please include here:

We welcome the opportunity to respond to this consultation. Portman Group member companies have been at the forefront of the industry's responsible drinking initiatives. They established the Drinkaware website in 2004, they have promoted it ubiquitously on packs and in their advertising and they have been by far the largest funders of the Drinkaware Trust. This support has made Drinkaware the most popular source of consumer information on responsible drinking in the UK. We also believe that the very wide industry involvement in the Campaign for Smarter Drinking (Project 10) presents an excellent platform for us to work together to step change the visibility of responsible drinking information from point of purchase through to consumer advertising.

The Portman Group, however, is a producer organisation. While producers have some influence over the way in which their products are promoted at point-of-sale (for example, they control their packaging and may additionally offer point-of-sale display material, etc), this influence is limited. Producers are nonetheless interested in the way in which their products are presented for sale and we do have considerable positive experience of self-regulation. It is in this context that we make our response and our comments are therefore restricted to those aspects of the draft mandatory Code which have most relevance to drinks producers.

Thank you for your time