ACS Submission: Advancing our health: prevention in the 2020s

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Department of Health and Social Care's consultation on *Advancing Our Health: Prevention in the 2020s*. ACS is a trade association, representing 33,500 convenience stores across the UK including the Co-op, McColl's, Spar UK and thousands of independent retailers. For more information about ACS, please see Annex A.

Convenience retailers play a valuable role in local communities by providing a wide range of grocery products and services. 37% of convenience stores are located in rural areas, 37% trade in urban areas and 26% trade in suburban areas[1]. Convenience stores typically trade close to where people live and work. This means that convenience stores are often (38% of stores) located in isolated areas[2], neighbourhood parades (42% of stores)[3] rather than high streets and larger shopping parades (of which 21% of stores are located)[4].

There is a significant variety of products offered in-store, chilled food is one of the most popular categories representing 12.8% of total sales[5]. Fruit and vegetables represent 4.2% of sales in the convenience sector and canned and packaged grocery represents 7.2% of sales[1]. Convenience retailers continue to adapt the range of products sold in store to keep up with consumer demand and have been increasing and promoting healthier ranges in-store. Of the £633 million invested by convenience retailers in the last year, 36% of that investment has been made in refrigeration to meet consumer demand for fresh and ambient products.

ACS' response to the consultation *Advancing Our Health: Prevention in the 2020s* is focused on three key themes of the green paper under the Chapter 2 *The Choices We Make* covering:

- Being smoke-free
- Maintaining a Healthy Weight
- Wider factors (including alcohol)

For more information on ACS' submission please contact Julie Byers, ACS Public Affairs Manager, by emailing Julie.Byers@acs.org.uk or calling 01252 515001.

[1] ACS Local Shop Report 2019
[2] ACS Local Shop Report 2019 – Isolated store meaning no other retail/service business close by
[3] ACS Local Shop Report 2019 – small parade meaning up to five retail/service businesses close by
[4] ACS Local Shop Report 2019 – Larger parade defined as up to 10 retail/services close by and main high street defined as more than 10 retail/service businesses close by
[5] ACS Local Shop Report 2019 (refers to sales value not volume of sales)

Being smoke-free

Tobacco and vaping products remain an important category for convenience retailers representing 20% of sales[6]. However, retailers also identify that the category is in long term decline and are adapting their businesses accordingly. We acknowledge the Government's 2030 smoke free ambition but urge DHSC to recognise that the UK tobacco retail market is already world leading in terms of tobacco regulations. Therefore, further reductions in smoking rates will need to be delivered through public engagement activity and support services, not more regulations of retailers that sell tobacco.

Illicit Tobacco

In order to meet the 2030 smoke free target, we believe the DHSC and HMRC need to focus on tackling the illicit and non-duty paid tobacco. HMRC estimate that £1.8billion of tax revenue of lost by the exchequer in 2017-18[7]. This means a sizeable proportion of the smoking population access tobacco from non-regulated sources. We strongly urge HMRC and DHSC to review the funding levels and sanctions made available to enforcement authorities to deal with the illicit and non-duty paid market. We have made the following recommendations to HMRC:

- HMRC to extend the offences of Restricted Premises Orders (RPO) and Restricted Sales Orders (RSO) to include illicit tobacco offences. This would create three strikes and you're out system for the sale of illicit tobacco.
- HMRC should remove retailers' ability to trade if they are persistently found selling illicit tobacco or non-duty paid tobacco by removing their alcohol licence.

E-cigarettes and Vaping Products

The Government must take an evidence led approach to regulation of the e-cigarette market. We believe there is strong evidence to show that e-cigarettes are a less harmful alternative to tobacco and have a positive role as a smoking cessation device. The evidence is clearly set out in PHE's Independent Expert E-cigarette Evidence Review[8], which states: *"vaping poses only a small fraction of the risks of smoking and switching completely from smoking to vaping conveys substantial health benefit".*

The convenience sector welcomed the introduction of a legal age restriction for e-cigarettes. This provided retailers with absolute clarity about age restriction on these products and it has been effectively implementation across the convenience sector. ACS' Preventing Underage Sales guidance[9] has helped convenience stores implement this policy.

The latest NHS data shows that youth use of e-cigarettes is low among young people. Currently regular e-cigarette user prevalence amongst young people is low at 2% (the definition of regular user is defined as e-cigarette at least once per week)[10]. The most

[6] ACS Local Shop Report 2019
[7] Measuring Tax Gaps 2018
[8] PHE's Independent Expert E-cigarette Evidence Review 2018
[9] ACS Assured Advice: Preventing Underage Sales
[10] Smoking, Drinking and Drug Use among Young People In England 2018 – part 4 Electronic Cigarette Use

common way that young people access e-cigarettes is from friends or relatives (67%) or the internet (29%)[11].

Maintaining a Healthy Weight

We acknowledge the government's ambition to reduce halve childhood obesity by 2030 and recognise that all parts of industry, including local shops, must contribute to this target.

Childhood Obesity Strategy Chapter 2

The proposals in the Childhood Obesity Strategy Chapter 2 that have recently been consulted on would be extremely difficult for convenience retailers to deliver, especially the restrictions on the location of High fat, salt, sugar (HFSS) products in stores and banning multi-buy promotions on HFSS products.

We have submitted extensive evidence to DHSC detailing our concerns[12] about the wide-ranging definition of HFSS products and need to include exemptions for small stores if restrictions on the location of products are introduced. We have recommended that DHSC review their impact assessment to truly reflect the impact of these measures on convenience stores. The current impact assessment estimated the total of number convenience stores in the UK at 13,522 when the actual figure is 46,388. We believe that state regulation of shop layouts is a step too far and will have little impact on childhood obesity.

Soft Drinks Industry Levy

We acknowledge that the Soft Drinks Industry Levy has resulted in reformulation of the soft drinks category. However, we believe it is too simplistic for the Government to think that the policy can be directly transposed to other categories without extensive analysis of the capacity for other categories to be reformulated and understanding the relevant impact on childhood obesity. The Government should continue to work closely with industry to deliver the sugar reduction and reformulation programme.

Energy Drinks

We are committed to supporting the Government to deliver age restrictions on energy drinks. We believe that a minimum 12 months would be an appropriate implementation period for convenience retailers to introduce an age restriction on energy drinks. 53% of retailers already have a policy in place to prevent the sales of energy drinks to under 16s[13]. We will work closely with DHSC to communicate the change through ACS' Assured Advice Scheme.

Healthy Start

ACS is working closely with officials at DHSC to promote the scheme to more convenience retailers so that more low-income families can gain access to fruit, vegetables and milk at convenience stores. Our research suggests that one third of convenience retailers accept healthy start vouchers, another third of retailers are aware of the scheme but do not accept the vouchers, and the final third are unaware of Heathy Start[14]. ACS developed an animation

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[11] Smoking, Drinking and Drug Use among Young People In England 2018 – part 4 Electronic Cigarette Use
[12] ACS Submission: Restricting Promotions HFSS by Location and by Price
[13] ACS Voice of Local Shop Survey January 2018
[14] ACS Voice of Local Shops Polling 2018

to explain what Healthy Start is and how they can use it in their store. The animation is available here.

Alcohol

We welcome that the consultation acknowledges that the levels of alcohol consumption are in decline[15]. It is important that debate around alcohol related harm is set in the wider context of declining consumption, especially among young people.

We continue to work closely with the Home Office on a future alcohol strategy. We have engaged positively with the extensive review of the alcohol Licensing Act completed by the House of Lords Licensing (2003) Act Committee in 2017[16]. The Review made numerous recommendations for improving the knowledge and enforcement of the Licensing Act at local level but was clear that there are extensive powers to manage the sale of alcohol in communities and that further significant amendments to the act are not needed at this time.

Low and No Alcohol Alternatives

Local shops are seeking to positively deliver low and no alcohol alternatives to consumers. Our latest polling of 1,210 convenience stores[17] shows that 62% of independent retailers stock low and no alcohol alternatives.

For more information on ACS' submission please contact Julie Byers, ACS Public Affairs Manager, by emailing Julie.Byers@acs.org.uk or calling 01252 515001.

[15] Statistics on Alcohol, England 2019
[16] House of Lords Licensing Act Committee 2017
[17] ACS Voice of Local Shops 2018

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.

ACS | the voice of local shops

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

SALES

In 2019, the total value of sales in the convenience sector was £40.3bn.

The average spend in a typical convenience store transaction is £6.38.

SHOPS

There are 46,388 convenience stores in mainland UK. 71% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.

JOBS

The convenience sector provides flexible employment for around 405,000 people.

18% of independent/symbol stores employ family members only.

ENTREPRENEURS

19% of shop owners work more than 70 hours per week, while 17% take no holiday throughout the year.

70% of business owners are first time investors in the sector.

COMMUNITIES

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.

78% of independent/symbol retailers have engaged in some form of community activity over the last year.

INVESTMENT

Between August 2018 and May 2019, the convenience sector invested over £633m 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 7,556 stores. The Local Shop Report also draws on data from HIM, 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