



ACS Submission: Minimum Unit Pricing of Alcohol

1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the House of Commons Health Committee's inquiry on minimum unit pricing of alcohol. ACS is a trade association, representing 33,500 local shops across the UK including Co-Op, One Stop, McColls Retail and thousands of independent retailers. There are 49,918 convenience stores across the UK, employing over 370,000 people.
2. Convenience stores provide a range of products and services, including Post Offices, bill payment services, and ATMs to local communities. Alcohol is an important product category for convenience retailers, with 81%¹ of stores holding an alcohol licence, and an average of 14.3% of store sales represented by alcohol².
3. ACS is not convinced that the introduction of Minimum Unit Pricing (MUP) will have a significant impact on alcohol related harm. We believe that tackling alcohol related harm is more complex than the introduction of an increase in price. Instead, tackling alcohol-related harm must be done in partnership with all stakeholders to instigate long term change in drinking behaviours and target individual harmful drinks.
4. We do have concerns about the additional administrative and financial burdens that the introduction of MUP would have on retailers. The Scottish Government's introduction of MUP is an important opportunity for the UK Government and other devolved administration to closely monitor the implementation of the policy and understand the impact on businesses and alcohol consumption. We welcome that the Secretary of State for Health and Social care has already indicated³ this is the Government's intention.
5. Our key concerns about the proposed minimum unit price of alcohol include:
 - It is not a targeted approach to tackle alcohol-related harm.
 - There is limited evidence to support claims that MUP will reduce alcohol consumption.
 - MUP would act as a blunt instrument instead of focusing more on drinkers who would need more support to curb their consumption.
 - MUP would place additional burdens on businesses that operate across the United Kingdom

¹ ACS Local Shop Report 2018

² ACS Local Shop Report 2017

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Impact on Retailers

Price

6. We expect that there will be a limited business impact on convenience stores as many of alcohol products sold in convenience stores will be unaffected by the introduction of MUP. However, as MUP has yet to be introduced elsewhere, we will not be aware of the full impact on retailers until the legislation has been introduced. There is currently uncertainty about the supply chain's response to the introduction of MUP. Therefore, we would encourage the Committee to monitor and evaluate the introduction of minimum unit pricing in Scotland before considering introducing MUP in England.
7. Initial feedback from members on the implementation of minimum unit pricing in Scotland has raised concerns about the short lead in time. The Scottish Government confirmed that they would introduce MUP from 1st May 2018 with less than six-months' notice. The consultation is also still out on how MUP would work in practice, closing on 26th January. These timeframes present challenges to retailers as they will need time to react and comply with the legislation, for example, adjusting prices and promotions, which takes place months in advance. If the UK government consider introducing minimum unit pricing in England, there should be a lengthy lead in time for retailers to adapt to the new legislation.

Training

8. What we do expect from the introduction of MUP is a significant impact in relation to implementation and compliance. MUP will bring a training burden for retailers to ensure staff aware of the new law and its implications for them and the business. It is not simply about ensuring the prices on the shelf are not in breach of the law, but also how they handle more complex customer transactions such as promotions, vouchers or refunds - all of which will require a procedural overhaul.

Cross Border Sales

9. In our response⁴ to the National Assembly for Wales Health Committee's call for views on the Public Health (Minimum Price for Alcohol) (Wales) Bill, we warned that cross-border sales will also impact retailers. The Bill's Impact Assessment estimates that 4.91% of the total Welsh grocery spend is spent in England and not anticipated to increase following the introduction of MUP. However, as MUP has yet to be introduced elsewhere, and without understanding Welsh consumers' current alcohol spend in England the full impact of cross-border sales is unknown.
10. The debate around MUP and its implementation is at different stages across the UK; the Scottish Government will implement the policy in 2018 and the Welsh Government are considering legislation. Businesses trading across the UK want to avoid a situation where three different MUP systems are in operation. National retailers may incur additional costs with having a different pricing and promotion regime in England, Wales and Scotland.

⁴ [ACS Submission: Public Health \(Minimum Price for Alcohol\) \(Wales\) Bill](#)

11. Therefore, we would welcome reassurances from the UK Government that if they were to introduce minimum unit pricing that they would work closely with the devolved parliaments in Wales and Scotland to deliver, as far as possible, a consistent MUP policy. Consistency will ensure that these retailers do not face the burden of being required to comply with a different minimum unit price legislation in each country.

Tackling Alcohol Harm

12. As set out above, we believe that minimum unit pricing would act as a blunt instrument instead of focusing more on drinkers who would need more support to curb their consumption. We instead recommend that work that is already being done to reduce alcohol-related harm be prioritised, through partnerships with industry, and increasing enforcement action against irresponsible retailers.

Tackling Illicit Alcohol

13. The Committee should consider the benefits of tackling the illicit alcohol trade to tackle alcohol-related harm rather than increasing price of alcohol products. The illicit trade poses a significant threat to legitimate sales and the government's public health objectives. The cost of the illicit alcohol trade to the Exchequer was £1.3 billion in 2015-16⁵ and undercuts legitimate retailers by driving footfall away from their stores
14. We have concerns that MUP will only add further pressure on already limited enforcement resources. We believe the police and other enforcement bodies, including trading standards, should focus on tackling the non-duty paid and illicit alcohol trade. The Licensing Act 2003 provides licensing authorities with powers to remove alcohol licences from retailers who participate in the sale of non-duty paid alcohol, however this power is not often used. In a survey of independent convenience retailers, 67% agreed that retailers that are found selling illicit alcohol or tobacco should have their alcohol licence removed⁶. ACS supports the introduction of tougher penalties for retailers that engage in the illicit market and greater funding for police, HMRC and trading standards to tackle this issue.

Industry Action

15. Retailers have taken proactive action to tackle alcohol-related harm and have been heavily engaged with a number of age verification schemes including 'Challenge 25'⁷ which has reduced underage access to alcohol. Polling of ACS members in 2012 showed that 70% of retailers had an age verification policy in store and it was found that more than a quarter of retailers refused age restricted sales more than ten times a week⁸. Serve Legal, an independent test purchasing company, found in 2015 that convenience stores had an 83% pass rate⁹, an increase of 18% since 2008.
16. The industry has also taken proactive action to promote responsible retailing amongst the off-trade. Most notably, the industry set up the Retail of Alcohol

⁵ HMRC Measuring Tax Gaps 2017

⁶ ACS Voice of Local Shops Survey August 2016

⁷ 'Challenge 25' ensures that anyone that looks under 25 is challenged for proof of age. It is made up of several components including training, display of signage, staff support, record keeping and guidance and clarity on acceptable forms of ID.

⁸ ACS Voice of Local Shops May 2012

⁹ Serve Legal, Independent Test Purchasing Key Trends 2015

Standards Group (RASG)¹⁰, Proof of Age Standards Scheme (PASS)¹¹, and Community Alcohol Partnerships (CAP). ACS continues to promote the work of CAP which are locally based projects that tackle underage sales and anti-social behaviour by bringing retailers.

Cider Duty

17. The UK government have sought to tackle alcohol related harm associated with higher strength alcohol. In 2014, the government took action on cheap alcohol by banning sales of alcohol in England and Wales which cost less than the value of excise duty plus VAT. At the Autumn Budget 2017, the Chancellor of the Exchequer also announced that the government will introduce a new duty band for still cider and perry between 6.9% to 7.5% abv to target white ciders. The new duty band will encourage manufacturers of higher strength cider to either reformulate or increase their prices. Given that a minimum unit price looks to tackle harmful drinking and the high strength alcohol products associated with this, we would urge the Committee to monitor and evaluate the impact of the new cider duty band once it is introduced in 2019 before introducing further legislation.

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

¹⁰ The Retail of Alcohol Standards Group is a committee of high street off-trade alcohol retailers who meet to exchange best practice in the responsible retailing of alcohol. The group produced [best practice guidance](#) for the sale of alcohol in England and Wales.

¹¹ The Proof of Age Standards Schemes (PASS) was set up to provide retailers reassurance about which cards can be accepted as valid proof of age.