



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Licensing and Registration of Clubs
(Amendment) Bill: Retail NI

4 February 2021

small retailer, every bit of space inside your store is absolutely precious. That is, perhaps, one change that we would like to the Bill.

We have outlined the obvious need for Retail NI members who sell alcohol to be responsible. I listened particularly intently to what the witnesses in the previous session said about the need for the industry to be responsible. Retail NI members, by and large, are small. The off-licences are independently owned, and those who run them are responsible. They cannot have big promotions selling lager more cheaply than water. As community retailers, they take the health of their community very seriously. There are significant challenges with the pandemic and the big increase in people drinking at home. We will face a mental health epidemic and all sorts of changes and pressures in society when this lockdown is lifted and we advance through the vaccination process. There are problems there, but our members take their community role and responsible alcohol retailing very seriously indeed.

There are a number of changes. First and foremost, we very much support the things that our colleagues in Hospitality Ulster said. We have a very close working relationship with our friends in Hospitality Ulster, and I know that they have fought long and hard for this legislation to be taken forward. I also draw the Committee's attention to our colleagues in the Association of Convenience Stores, who have also put forward a submission. We absolutely endorse all that they have said, and, indeed, that is reflected in our submission.

I did not want to go over what we had already submitted to you in writing. I am very happy to take any questions on what we put forward or the context in which the legislation is being taken forward, which is also important.

The Chairperson (Ms P Bradley): Glyn, thank you for that. You certainly stuck within your 10 minutes, which is good because it buys us a bit more time.

I will pick up on your point about smaller stores. I absolutely understand where you are coming from on that. I have been shopping in smaller stores for the past year of COVID, and, because they are very strict in what they do, I find them much safer than some of our larger stores. Are you saying that the legislation should not put any form of restriction on advertising in smaller stores, or are you coming up with a different form of restriction?

Mr Roberts: First and foremost, this is nothing new. In the consultation on previous incarnations of this legislation, we looked, for instance, at the difficulties that a similar scheme in Scotland has had. By and large, where our members advertise alcohol is probably in the context of a meal deal or something like that. The advertising is not targeted at young people in any way; it is very responsible. That is the one area where the Bill falls down. It does not reflect the reality that, percentage wise, we have many more independent retailers than many other parts of the UK. We have very many long-established off-licences. Of course, what we are really saying is that we want a level playing field. What we have at the minute in respect of the advertising that independent retailers can do works really well. As we have said all along about this and other legislation, it is about levelling the playing field.

The Chairperson (Ms P Bradley): Thank you for that, Glyn.

Another issue highlighted in your paper — I have not picked this up in many other witness sessions — is the number of restaurants that persistently sell alcohol illegally. I know of at least one in the area that I represent that pays for a restaurant licence but is run more as a bar. How do you propose that we prevent their operating outside the terms of their licence?

Mr Roberts: They have to stay within what their licence asks them to do. They have to stay very much within what the law says. We made the point that breweries and other similar establishments want, effectively, the same type of alcohol licence as bars and restaurants. I am not sure that that will work. It will probably cause duplication. I know that colleagues in Hospitality Ulster have particular concerns about that.

In all of this, we have to be responsible in what we do. In the context of the lockdown and the very severe restrictions under which bars and restaurants operated, the fact is that there has been very little time in 2020-21 for many of those businesses to open. Whilst retail has had it tough, it is a very, very long road back for many in the hospitality sector. Nevertheless, they should obey the law. Clearly, people trying to get round the COVID regulations does not help: it means that the Executive clamp down on that behaviour, which has an impact on the responsible businesses. The vast majority of

responsible bars and restaurants have stayed within the law, within the spirit of the law and within the spirit of the licence under which they operate.

The Chairperson (Ms P Bradley): Thanks, Glyn.

Finally, before I bring in members, what is your opinion on the code of conduct? Should that continue to be industry-led, or, as proposed by the Public Health Agency (PHA) last week, should we take a statutory approach?

Mr Roberts: There are so many different codes of conduct out there. Some are led by the industry. We are very keen to engage with the PHA on what it is planning to do. Our members already operate the Challenge 25 rule, and they are under huge scrutiny when it comes to the need to avoid underage sales and sell alcohol responsibly. In the wider context, you will not see the same type of heavily discounted deals on six cans of beer or lager, which are, effectively, a loss leader in the large supermarkets, in anywhere near the same way in the small independently owned off-licences. They are responsible and have gone out of their way in recent years to, for instance, source a lot of local craft beers and things like that. We have seen a big increase in breweries, local gins and, in particular, craft beer, and many of our members have been going out of their way to support local suppliers and make sure that their stock is in their stores. I emphasise that our members are and will continue to be responsible alcohol retailers. Quite rightly, there should be very strict standards there, particularly given where we are at the minute, with increased numbers of people drinking at home because our friends in hospitality are closed, and they will probably be the last ones back when the lockdown is lifted.

The Chairperson (Ms P Bradley): Thank you, Glyn.

Ms Ennis: Thanks for coming in again, Glyn. I want to take you back to the advertising issue. We had this conversation with another witness. Forgive me, but it escapes my mind which witness it was. The explanatory and financial memorandum states that clause 16 introduces a new article in the Licensing Order on the restrictions on off-sales drinks promotions in supermarkets and that it:

"restricts the advertising of drinks promotions in supermarkets to the area in which intoxicating liquor may be displayed in such premises. Supermarkets and other licensed premises which sell intoxicating liquor for consumption at home will also not be allowed to advertise drinks promotions available in the premises within the vicinity of the premises".

You said that the larger supermarkets might have the upper hand because they are able to advertise in their car park or wherever, but clause 16 says that they will not be able to do that. You spoke about a level playing field, and I am very supportive of that, but I think that clause 16 ensures that there will be a level playing field. It also gives the Department the power to make regulations to amend the definition of "vicinity". If the Committee can carry out that scrutiny and have a conversation with the Department as the Bill progresses, we will do that. I just want to clarify that point. On reading clause 16, it seems to me that it does not offer supermarkets any sort of upper hand over smaller off-sales. It says that any advertising, whether it is in a supermarket or a smaller off-sales, must be restricted to the vicinity in which the retailer is licensed to sell the alcohol product.

Mr Roberts: Thanks for that. That is a good, well-made point, Sinéad. As I mentioned, in a small independent retailer, the off-licence is separate from but connected to the rest of the store. We would be keen to see flexibility on that because, for instance, a lot of our members advertise in other parts of their store things like meal deals where they sell or promote a particular bottle of wine along with a particular type of meal deal. That is a fair enough thing for them to do, but if it is restricted just to the part of the store where they have the off-licence, it puts restrictions on them. I cannot really see the logic in that.

It all links back to the message that retailers and a lot of the drugs companies want to put forward. All that we can say is that we have to be responsible in everything that we do and in the message that we put forward, particularly to younger people.

For many retailers, the space that they have in the store is precious, particularly if they are small independent retailers. The context in which we make those remarks is that we just want to ensure that there is flexibility for smaller traders.

Ms Ennis: I appreciate that. From our point of view, we are trying to balance the very important public health side of this as well as trying to show fair play to the businesses that you represent. We know that advertising works. That is why people do it. That is why it is a multimillion-dollar industry. It affects people's drinking habits, and it is something that we will have to grapple with, but there is room in the clause for us to try to shape that. It is not giving those supermarkets that upper hand. The explanatory and financial memorandum clearly states that the clause would add:

"an offence (punishable by a fine up to £1,000) for carrying on a drinks promotion outside of the licensed area".

It is something for us to consider, but we need a bit more clarity on that clause.

Mr Roberts: Yes, absolutely. I totally agree with you.

The Chairperson (Ms P Bradley): Thank you, Sinéad. That is a very good point. When you go into the likes of Marks and Spencer or Tesco, you will see advertisements on the food aisle for a side, a main, a dessert and a bottle of wine, but, under clause 16, those retailers would not be allowed to do that; they would be allowed to do it only in the area where the alcohol is sold or 200 metres away from the store. I understand that there are certain complications in that.

Ms Armstrong: It is good to see you, Glyn. I hope that you are keeping well during the pandemic. I just want to ask you about what you included about craft breweries in your presentation. We have heard quite a lot of evidence on that, and one of the things that we face after COVID is potential difficulties with liquid being exported. Our craft brewers cannot sell their produce easily, so they may have to depend on exports. Those people are potentially your members, so what are your thoughts on developing more of the Northern Ireland produce that they are bringing forward? I am thinking particularly of Echlinville distillery in my area. It has done an amazing job, and it has opportunities to sell from its premises because it bought a very expensive licence, but I would be sad to see those sorts of businesses being unable to operate because their produce is limited. Having a sample is one thing, but I do not understand what the issue would be if they were selling only their produce, not any other produce, and were not acting like a bar. It could even be for a limited period of time during the day. Would that be an issue, or is it something that you could support?

Mr Roberts: It is important that any new licence category does not duplicate what is in the existing licence categories. I do not think that anybody goes to a gin brewery to go out on the rip, so to speak; it is very much about tasting, and there is absolutely no problem with that. Our members are very committed to supporting a lot of the local breweries. Some craft brewers may not have the capacity at this stage of their business to get into the large supermarkets, and, quite often, you will see a lot of our members stocking some of their products, which is a very important route to market for them. Our members are always looking out for different and distinctive products and will continue to do so. Quite frankly, it is amazing how many gins are being retailed now; the number is extensive. You have seen so many local companies and entrepreneurs putting Northern Ireland's gin on the market and internationally; you can look at the success of products like Jawbox in particular.

Our members will always look out for good local products because they often promote themselves as offering different products. As I said the last time that I presented to you, it is crucial that we develop the concept of localism, because it is about supporting the whole supply chain and recognising the huge potential for local co-producers, manufacturers and so on.

Ms Armstrong: Thanks, Glyn. We have heard from many others that the cost of the licence is staggering, but the costs through the court are minimal and are not unaffordable; the cost comes from that private market where people negotiate licences outside. That must be impacting on quite a lot of convenience-type stores that want to sell alcohol, such as corner shops or local garages. Quite a lot of them would be looking for off-licences, especially in rural areas. Should anything be done to curtail that type of negotiation, which ramps prices up to unaffordable levels? Do you have any thoughts on that?

Mr Roberts: Trying undo the whole surrender principle presents a big challenge because we have members who have an alcohol licence that they paid quite a bit of money for, and it is part of the assets of their business. If we went down the road of deregulation, a lot of our members would not be very happy because their alcohol licence is part of the assets of the business. I do not detect any appetite across the Assembly for deregulation in that area, and it is not covered in the Bill.

Again, it is about levelling the playing field and making sure that if a new start convenience or food store wants to get an alcohol licence they are not priced out of the market. It is a complicated issue that will not be easily solved any time soon. There is not an appetite among the main political parties in the Assembly for any changes in that area.

Ms Armstrong: I know, and that is the difficulty with it. I talk to your members and others about this, and, unfortunately, I see what seem to be unbelievable costs continuing. We will leave that for now. It will not be dealt with in this Bill. I am very aware that we have just spoken to the Presbyterian and Methodist Churches and that we brought up addiction services. What do you think about a sort of a levy for addiction? That is not in the Bill at the moment. I am aware that we do not want to price out your members. Is there something that could be added to a code of practice or industry agreement for that type of investment in addiction services?

Mr Roberts: We are happy to have that conversation. However, putting a levy on an independent retailer in that way would probably be a step too far. Do we have a role to play in tackling the problem? Of course we do.

I had a good discussion with the mental health champion about, obviously, the mental health of our members' staff in this difficult time. It is a huge issue. The mental health of our population has become a much wider issue as we come out of this lockdown and start to get back to some form of normal life. There is a huge problem and challenge there. I am very conscious that the mental health champion will have her work cut out after the pandemic. We had a mental health crisis before the pandemic: goodness knows where we are now with that.

Are our members willing to play a role? Of course we are. You have probably heard me talk about our members in the context of being community entrepreneurs and retailers. They take their role in the community very seriously. If you look at small towns and villages in particular, as we speak now, you will see that the convenience store, butcher and small chemist provide as much of a community service as the GP or dentist. They take their role seriously in making sure that vulnerable and older people have access to food. For people who may not have access to transport and cannot get out to the big out-of-town stores, those small retailers are an absolute lifeline. Of course, we want to be part of that conversation about mental health and making sure that the physical and mental health of our population as a whole is addressed — absolutely.

Ms Armstrong: Yes. Thank you very much, Glyn. There is a local garage near me. It is probably one of your members. To be honest, it has been a lifeline for my rural community. Apart from petrol and diesel, you can go there and buy bread and everything that you could think of. It is a family business and part of our community, absolutely. I thank you and all your members for the work that they have done throughout the pandemic. We encouraged people to shop local, and your guys and all their staff provided those services.

In talking about checking that people are under 25, I have to say that I was actually quite delighted that I was asked for ID when I bought a bottle of wine in my local shop. I was quite pleased at that given that I am double that age. I think that Conor was being too nice to me.

Your members have been absolute champions through this, and having your input to the Bill on their behalf is fantastic. Thank you very much.

Mr Roberts: It is funny, because a few weeks ago, I was asked the same thing: whether I was over 21. Obviously, with the COVID restrictions, it would not have been appropriate for me to hug the shopworker, but I will take any compliments that I can get these days *[Laughter.]*

The Chairperson (Ms P Bradley): I want to raise a complaint: I have not been asked whether I am over 21 *[Laughter.]* It is not fair.

Thanks, Kellie. The last person who wants to ask questions is Mark. We will bring Mark in.

Mr Durkan: Thank you, Chair. You are very welcome, Glyn. I was just wondering this: were you wearing a face covering at the time?

Mr Roberts: I was, Mark. Yes, obviously.

Mr Durkan: That explains it *[Laughter.]*

Mr Roberts: It probably does.

Mr Durkan: I want to start by echoing Kellie's words about the role that your members and so many in the retail sector have played during the pandemic. You have staff who are making sacrifices and, indeed, taking risks to ensure that the rest of us can go about our life as normally as possible and do not go without the things that we need.

I have a couple of wee questions about your submission, Glyn. One is on what you say in part 3 about deliveries of alcohol. You are opposed to any strengthening of the law on age verification for the delivery of alcohol. However, if, as you say in the document, it is best practice in the industry to verify age for remote sales, why would making it a statutory duty constitute a burden to responsible sellers?

Mr Roberts: There are so many rules and regulations and codes of conduct. We have, for instance, Deliveroo, which covers deliveries. Very few of our members deliver. We have members who send items through Deliveroo. There are practical issues there about how the age of someone is verified. Is it the Deliveroo guy on the bike who makes that call? We are happy to have a conversation. In one sense, since the pandemic, the world has changed. The role of Deliveroo drivers and things like that has put the issue front and centre.

We made the submission quite some time ago when we did not have deliveries coming up as an issue in the way that they are now. Do we need to revisit it? Yes, we probably do.

Mr Durkan: OK. That is interesting. The other thing that I wish to flag with you, Glyn, is that it says in your paper that "irresponsible promotional and marketing" techniques:

"have no place in the licensed trade."

Of course, we would all agree with that, I am sure. However, you also say that there are responsible means of promoting and marketing alcohol, including "loyalty schemes". Where would you, or who would, draw that line between responsible and irresponsible alcohol marketing?

Mr Roberts: The PHA will have a key role in determining that. We get the importance of people being responsible when drinking. Bars and restaurants are closed, and they are regulated environments. It is important that they are.

At home, there is not the same sort of regulation, so we have to be very careful in the messaging that is put out, which has to say that people need to look after their health. People are under huge pressure, and there is no doubt that alcohol sales have dramatically increased in off-licences. It means that whatever message our members put out should be in that context. Again, it goes back to what we said.

We are very happy to engage with the Department on this, on the public health message with the PHA and on things like obesity. If you look at the good practice work that many of our members have done on obesity, and I know that I am slightly off alcohol licensing, you see that, for instance, where a lot of our members are in the proximity of schools, they make sure that things like fresh fruit and vegetables are the first thing that you see as you walk into the store. Promoting that healthy —.

Mr Durkan: It is less attractive to the shoplifters.

Mr Roberts: It is. Do we need to have a proper sit-down and engage with the Department of Health and the PHA? Yes, we do, and I am very happy to do that. As I said, our members take that community role very seriously, and they care about their customers. The retail model that we promote is a sustainable community one. It is not, if you like, the predatory role that the large supermarkets have. In many respects, lockdown has reinforced the importance of local, because, as you know, Mark, people are not travelling. In a lot of ways, people have rediscovered the local grocery stores and butchers that they maybe did not use in normal times. That is one of the few opportunities that this dreadful situation provides in that it reinforces local. There is a big challenge there in whether the independent retailers that are open can continue to draw in and keep that trade when things open up again.

Mr Durkan: Super, Glyn. Thanks a million. It is great to see you.

Mr Roberts: Great, Mark. Thank you.

The Chairperson (Ms P Bradley): No other members have indicated that they want to ask any questions. Thank you, Glyn, for coming back and briefing the Committee again.

Mr Roberts: My pleasure, Chairperson. I hope that you all keep safe.

The Chairperson (Ms P Bradley): You too, thanks.