Wm Morrison Supermarkets plc

Alcohol (Licensing, Public Health and Criminal Justice) (Scotland) Bill

About Morrisons

1. Morrisons is one of the UK’s biggest food retailers, with 511 stores and 117 convenience stores, and we’re the only British supermarket to have our own food processing sites, abattoirs and even a farm. Every week, over 11 million customers pass through our doors and more than 126,000 colleagues across the business work hard each day to deliver great service to them. In Scotland we have 60 stores employing 15,000 colleagues. Our aim is to give our customers more of what matters to them, offering great quality food at low prices.

General comments

2. Morrisons welcomes the opportunity to respond to Dr Simpson’s Private Members Bill.

3. We note that if passed this would become the sixth piece of legislation to impact on licensing law in Scotland since 2009. We are concerned about the significant rise in licensing legislation and are concerned about an approach which legislates before assessing the impact of said legislation. We would hope the Scottish Parliament would take an evidence-based and proportionate approach to further legislation in this already complicated area.

4. Over the last seven years there has been a significant drop in alcohol consumption. We are therefore not persuaded of the need for further legislation when the current approaches are having a significant positive effect. Since 2007 the number of alcohol related hospital admissions per 100,000 population in Scotland has fallen from 855.7 to 696.9. This correlates with the partnership work promoted by the SGAIP and the wider projects including Drinkaware and Community Alcohol Partnerships.

5. Furthermore the Air Weapons and Licensing Bill is still progressing through the Scottish Parliament. We believe it would be better for there to be time for the provisions of that Bill to take effect before assessing whether further measures are appropriate.

Restrictions on sale of alcohol

Minimum price of packages containing more than one alcoholic product

6. Morrisons does not have any specific concerns regarding this measure. However, we are concerned that it will have a negligible impact on low cost alcohol sales, and is likely to lead to further complexity within the current burdensome regime.
Alcoholic drinks containing caffeine

7. Morrisons does not currently stock pre-mixed alcoholic drinks with high caffeine content. However, the definition of high caffeine is subjective. Whilst we do not stock these products, we are concerned about this ambiguity. If this provision was to progress further we would anticipate that the specific definition of high caffeine content would be determined on the basis of robust evidence and that it would exclude products which are currently consumed responsibly.

Age discrimination: off sales

8. We have no comment to make on this measure.

Container marking: off sales

9. We are very concerned by the proposals to institute a national container marking scheme. We believe these proposals will be very difficult to implement, challenging to administer, and unlikely to effectively reduce proxy alcohol buying.

10. A container marking scheme has two significant cost implications for our business. Firstly we will need to train colleagues into the requirements of the scheme. This may well have to include different training in different areas depending on how local authorities choose to introduce the container marking scheme. Currently there are a variety of schemes, including using stickers or ultra-violet pens. Of course, the greater variety of interpretation the greater the cost for businesses of scale. We then will need to spend extra hours in store on colleagues who will have to mark every bottle which comes through our Scottish stores. We calculate that once all the administrative costs are included it will cost Morrisons £3.3 million per year to comply with a container marking scheme.

11. This would be a costly exercise for all retailers. Morrisons sells around 7 million BWS (Beer/Wine/Spirits) units per month. Therefore a national container marking scheme would require all those units to be marked by colleagues in store. That is both time consuming and of course has an opportunity cost as colleagues engaged in container marking are unable to perform their normal role in store. To perform this every one of our 60 supermarkets would need the equivalent of two and a half full time colleagues spending their entire time marking bottles – or 150 colleagues a year across Scotland. In reality to accommodate this we would be required to train a large proportion of our Scottish workforce of 15,000 colleagues.

12. Whilst this scheme brings significant problems for a large retailer, the impact would be even more severe on small retailers who would struggle with limited numbers of staff and space to support the scheme. These costs would have to be taken on by thousands of small retailers, putting a significant strain on their businesses at a very challenging time for the retail sector.
13. The administration and monitoring of any scheme would also have significant cost implications for Government, Local Authorities, and Police Scotland. In a time of limited government spending it is difficult to see how this is a good use of resources to tackle proxy sales.

14. In fact, from our experience with local trial schemes, we don’t believe this will have a significant impact on proxy sales. If someone over 18 legally buys alcohol from our store, and then once outside our premises passes this onto someone under-age, that isn’t something we have any control over. Furthermore, because of the volumes a large retailer sells it is very unlikely we would be able to identify individual buyers. Of course, there will also be situations where alcoholic products are bought in good faith, perhaps by parents, and then acquired by under-age drinkers. In this instance neither the retailer nor the purchaser is at fault, but it would still be recorded as a proxy purchase from the retailer.

15. Therefore a likely consequence of this scheme would be to unfairly portray large retailers as those who, by reasons of scale, would be most likely to be involved in the largest number of proxy sales – despite having the most rigorous Challenge 25 policies and despite taking the sale of alcohol seriously already by complying with the licensing laws.

16. In summary container marking harms the large retailer more than smaller operators, will do little to prevent proxy buying, and will be very expensive and challenging to implement for all retailers.

Community involvement in licensing decisions

17. There are already significant provisions for community consultation under the current licensing regulations. We don’t believe that increasing community consultation is necessary for local people, but it will create further complexity and administration in the already very bureaucratic licensing application process.

Restrictions on Advertising of alcohol

Ban on advertising near schools

18. Morrisons does not currently promote alcoholic products in close proximity to primary and secondary schools. Therefore we don’t have any principled opposition to this proposal. We believe that this is an area where good practice already exists and more appropriate measures would be better explored through non-legislative means.

Advertising within licensed premises

19. We are not persuaded there would be any practical benefit to this policy. It is hard to see why this policy would be effective when in Scotland there are already restrictions on where alcohol can be sold. Furthermore, we are not persuaded there is a harm from making customers aware that drinks promotions which correspond to meal choices exist, particularly in the context
of encouraging responsible drinking, or indeed putting further burdensome regulations on retailers. We would ask how such legislation would be enforced for convenience retailers.

**Advertising at sporting or cultural events**

20. This is not a policy which specifically affects Morrisons.

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