2) Consultation on Overprovision of Licensed Premises

(a) Whether there is overprovision of premises within West Dunbartonshire licensed to sell alcohol.

CRTG have historically expressed concern to the concept of overprovision. We favour concrete action being taken to identify and deal with problem purveyors of alcohol, but oppose sweeping generalisations that tar responsible retailers with the same brush as the irresponsible. Overprovision assessments create increased administrative cost and burden to licensees, stifle competition and local growth and are generally based on subjective views or dubious evidence. We believe that assessments of overprovision on health grounds are only valid if two conditions are met:

- a clear causal link between the number of alcohol licences in an area and resultant health problems can be shown
- that the alcohol consumed by those with alcohol-related health problems was purchased primarily in that area.

e do not believe that either of these conditions are met.

No causal link can be established between the number of licences locally and health problems. Alcohol Focus claimed to have found a 'moderate' relationship between off-licence density and alcohol harms in young people in England in their One on every corner report, but to make this claim they had to specifically exclude London where no such trend was evident. Even amongst the areas they saw fit to quote there are clear anomalies: Malvern Hills had 26.7 off-licences per 100,000 population whereas Tunbridge Wells had almost twice as many (48.3), and yet Tunbridge Wells saw far fewer alcohol specific under-18 hospital admissions (48.4 per 100,000 population) over a two-year period than Malvern Hills (82.4). Moreover there is an assumption that all licences are equally harmful, despite the amount of alcohol purchased on a daily basis varying enormously between a large supermarket and a local corner shop or between a 'vertical drinking' chain pub and a small bistro.

Nor is it possible to demonstrate in most cases that harm is caused by alcohol purchased within the local area. The Scottish Government's recent consultation document on further reform of the licensing system acknowledges this fact ("it is very difficult, if not impossible in most cases to make a causal link between where alcohol is sold and where it is consumed", paragraph 97). The 2011 submission to the Scottish Government for the Alcohol (Minimum Pricing) (Scotland) Bill by West [illegible]bartonshire Licensing Board et al made the point that whereas 31% of the respondents to a 2008 survey in Whitecrook bought alcohol at a local convenience store 85% bought it from an Asda supermarket outwith the local area: "the problems occurred in Whitecrook but the alcohol was bought in Clydebank Central". The 2010 Statement of Licensing Policy for West Dunbartonshire states that "persons in West Dunbartonshire, wishing to obtain alcohol from off-licences will travel up to two miles across sub-localities to purchase alcohol" (section 28). However, since the introduction of the multi-buy ban in 2011 there have been reports that consumers resident near the English border have simply been crossing to England to buy alcohol – should minimum unit pricing be introduced in Scotland and not England we might see this trend continue. As a result health or crime problems caused by alcohol bought in England would be felt in Scotland.

What overprovision does do is stifle local investment and competition. Overprovision assumes that alcohol consumption is led by availability – the more premises there are selling alcohol the more consumption there will be. We would instead argue that both consumption and availability is led by demand – consumers expect to be able to complete a full shopping trip in just one location. This is why the number of independent stand-alone greengrocers, butchers and bakers has plummeted over the last thirty years. Consumers expect to be able to buy all their fruit and vegetables, their meat, their bread and all the rest of their shopping under one roof. This includes alcohol. If a consumer is not able to buy a bottle of wine in the same place as the rest of their evening meal they will travel elsewhere. It does not therefore make commercial sense for a convenience store or supermarket to invest in a community unless they can sell alcohol as part of that offer.

Where alcohol licences are restricted retailers are reluctant to invest in that area, stifling job-creation and competition. Comparing the ADP submissions to the Licensing Board consultations in 2010 and 2013 reveals that the number of off-licensed premises has dropped by 7% during the last three years. High street vacancy rates in Scotland already stand at 14.9% according to the Local Data Company. Safe from competition existing retailers are at risk of becoming complacent and letting standards slip.

However, our concerns about the concept of overprovision being noted, we accept that it is a part of the licensing environment in Scotland and is here to stay. We wish therefore to engage with the specific circumstances present in West Dunbartonshire, especially as they relate to off-sales.

We would argue that, in terms of choice, West Dunbartonshire is underprovided compared to elsewhere in Scotland. The September 2013 Local Shop Report compiled by the Association of Convenience stores found that in 2013 on average Scotland had one *convenience store* per 949 people (page 6). The figures from Table 15 of the Alcohol and Drugs Partnership report on Liquor Licensing demonstrate that West Dunbartonshire has one off-licensed establishment per 971.6 inhabitants. This latter figure would include supermarkets, off-licences and specialist alcohol retailers as well as nvenience stores. It is therefore clear that West Dunbartonshire has less off-trade choice / competition than Scotland as a whole.

The number of premises licensed to sell alcohol is not the key variable in how much alcohol is sold. The ADP report says that there are 240 licensed premises (both on- and off-) in West Dunbartonshire. However, it has been argued that 40% of the alcohol sales in West Dunbartonshire come from just three licensed premises (see this presentation by Andrew Fraser, Head of Legal, Democratic and Regulatory Services at West Dunbartonshire Council). In other words, 237 premises sell 60% of the alcohol in West Dunbartonshire; the other 40% is sold by just three. On average, each of those three premises contributes 13.3% of all alcohol sold, whilst each of the other 237 sells just 0.25%. Clearly, when it comes to volume of alcohol sold, not all licences are equal. A net closure of 54 smaller premises would be required to offset the additional sales volume of just one of the largest premises. All five stores operated by Scotmid Co-operative in West Dunbartonshire have their own alcohol licence and have a combined net selling area of 6,619 sq ft in total. The new Tesco that is being built in central Clydebank would only use one alcohol licence but is 87,000 sq ft in size – thirteen times the size of all five Scotmid stores combined. The Asda in St James Retail Park Dumbarton has an alcohol display area alone amounting to 2,910.3 sq ft; this is roughly equal to the entire shop floor area of both the High Street and Glasgow Road Dumbarton stores operated by The Co-operative Group combined (2,955 sq ft). The total alcohol display area in all six Co-operative Group convenience s' 'es in West Dunbartonshire combined is 3,118 sq ft.

(b) If there is such overprovision, in which areas is there overprovision?

As stated above, we do not believe that there necessarily is a general issue of overprovision. If there is, the problem is not with specific areas but with specific stores. However, the data provided by the ADP does throw up some interesting contradictions.

As noted previously, from the figures published in the Alcohol and Drugs Partnership's submission, there is – on average – one off-licensed establishment per 971.6 inhabitants within West Dunbartonshire, less than the average for Scotland as a whole. However, there is a large variation between different Intermediate Data Zones (IDZ). Dalmuir has one off-licence per 507.7 inhabitants, Dumbarton Central has one per 512.6 and Jamestown has one per 518.6. In comparison Dumbarton West has only one off-licensed establishment catering for its entire population of 5,640; Bonhill has one off-licence per 2,617.5 inhabitants and Duntocher has one per 2,219.5.

The presence of Duntocher one of the IDZs with the fewest off-licensed premises per head of population is particularly interesting considering that the 2010 overprovision assessment considered that this was one of only three IDZs which were not overprovided. Extrapolating from the figures on page 5 of the West Dunbartonshire ADP Licensing Report of June 2010 shows that in 2010 Duntocher had 4 on-trade premises and 3 off-trade. Their 2013 submission (Table 15) shows that Duntocher now has 4 on-trade and just 2 off-trade. Even without an overprovision assessment being in place for Duntocher the number of licensed premises fell by 14%. There was likewise a net decrease of one off-trade licence in Balloch North East, which was considered to be not overprovided in 2010.

Additionally, it is known from the August 2013 MESAS report (section 3) that alcohol sales per adult in Scotland fell by 9% between 2009 and 2012. In the same month the General Register Office for Scotland published statistics on alcohol-related deaths for each council area. Looking at the 5-year moving annual averages for West Dunbartonshire reveals that the annual average for 2008-2012 is 25% lower than 2002-2006. In 2012 West Dunbartonshire saw its second fewest alcohol-related deaths since 1998. In an environment where alcohol sales in Scotland, the number of alcohol-related deaths in West Dunbartonshire, and the number of licensed premises in Duntocher and in Balloch North East have all fallen since 2010 it is hard to understand why those two IDZs are considered to be overprovided in 2013 but were not in 2010.

In comparison Old Kilpatrick / Bowling had four on-trade premises and four off-trade premises in 2010. In 2013 it has four on-trade but six off-trade. It is one of only three of the eighteen IDZs to increase off-licences between 2010 and 2013. During three years in which it was the Licensing Board's opinion that Old Kilpatrick was overprovided the number of licensed premises has increased by 25%. Three years later the Board consider that Old Kilpatrick is not overprovided. We are bemused that a 14% decrease in licensed premises in Duntocher has led to the area being considered overprovided whilst a 25% increase in licensed premises in Old Kilpatrick has led to that area being no longer overprovided. We would argue that these obvious contradictions throw the evidence base used to 'prove' overprovision into doubt.

(c) If there is overprovision, in what categories or types of premises is there overprovision?

As stated earlier, the Co-operative Retail Trading Group believes that, if there is overprovision, this comes from the large supermarkets category. If West Dunbartonshire Council is correct, 40% of the alcohol purchased in West Dunbartonshire comes from just three premises. Large supermarkets have much greater capacity for selling alcohol than smaller convenience stores. The alcohol display area alone of the St James Retail Park Asda is 93% of the total alcohol display areas of all six Co-operative Group convenience stores in West Dunbartonshire. The new Tesco being built in central Clydebank is thirteen times the size of all five Scotmid stores in West Dunbartonshire combined.

We would therefore argue that West Dunbartonshire is overprovided with large supermarkets. We do not believe that West Dunbartonshire is overprovided with smaller convenience stores.

It is worth noting that other Licensing Boards have formed the conclusion that it is important to identify which premises sell the greatest volume of alcohol. The Highland Licensing Board, for example, has proposed to restrict the presumption against the grant of any alcohol licences solely to premises where an alcohol display area of more than $40m^2$ is sought.

(d) If there is overprovision, why is there such overprovision?

Please see our answers as a whole for Part 2.

(e) Do you agree that the Board should refine its policy to consider the positive health benefits associated with increased employment opportunities as a factor that applicants can demonstrate in support of their application and a factor that may rebut such a presumption?

The Co-operative Retail Trading Group is, on balance, opposed to the proposal.

Before we would support the proposal we would want to understand how increased employment would be calculated. The proposed policy seems to have been put into effect already. The Scottish Licensed Trade News of 27th June 2013 quoted a West Dunbartonshire spokesman justifying the grant of a new licence to a Wetherspoons pub in Dumbarton by claiming "significant benefits this business would bring to the area in terms of job creation". No benefit to health was made on that occasion, purely to "significant employment".

Would the requirement have to be for any additional employment opportunities to be 'significant'? A new convenience store would create, on average, 7.5 jobs (this figure is taken from the Association of Convenience Stores' 2013 Local Shop Report). However, compared to a large supermarket claiming to create seventy-five jobs the convenience store's proposal insignificant. Would both applications be treated comparably? If a licence application for an alcohol display area of 26,000 sq ft is treated exactly the same as one for an alcohol display area of 260 sq ft we believe that an application which would bring eight jobs should likewise be treated exactly the same as one for eighty. From reading the consultation document and the discussion in the Board minutes we can see no reference to any employment increases having to be 'significant', but we would want to see this confirmed.

It would be interesting to know how any increased employment would be quantified. Would a zero-hours contract be counted as a job created? The arrival of large supermarkets can actually result in a net increase in unemployment as local high street competition is put out of trade. The Scottish Grocers' Federation has stated that "More and more people, however, are beginning to realise that having big supermarkets move into town is likely to result in job losses as local traders struggle to compete." Launching a joint submission into Scottish Planning Policy with the ACS the Chief Executive of the Scottish Grocers' Federation, John Drummond, argued that "The principle that developments that create jobs should be viewed positively must not be a green light for exaggerated claims made by some supermarket developers in planning applications to override concerns about harmful impacts on existing retailers in town and neighbourhood centres." In April 2013 a Tesco spokesperson stated that their new Hardgate store would employ "around 20 people" (see here); in August it was revealed that nineteen jobs were advertised, not all of which were awarded to local people (the Clydebank Post merely s'd that 'many of the positions have been filled by Bankies').The principles that the ACS and SGF have proposed to enable scrutiny of claims of increased employment are:

- Jobs created should be expressed in terms of full time equivalent jobs, not all jobs
- Job claims should be based on the average number of full time equivalent jobs in the business after 18 months of operation
- Job claims must be assessed against impact on other retailers (especially in town centres) to arrive at an estimated net increase in jobs

These sound like sensible criteria to put in place.

Despite this common-sense method of evaluating claims of increased employment we still remain to be convinced that applicants should be able to use health benefits associated with job creation as evidence to rebut the overprovision assumption. We do not believe that many applicants will have the capacity or skills to argue such a case. In effect all this would do is to restrict alcohol licences to the very largest players in the market who can afford to have that capacity. This creates a two-tier system whereby licences are restricted to the largest operators in both the off- and on-trades who have the resources to pull together such a submission. To a certain extent we have concerns that this two-tier system already exists: Wetherspoons were allowed a new alcohol licence when they promised new jobs and Tesco were allowed to more than double the size of the alcohol display area in their Hardgate store (from 7.56 m^2 to 20m^2) by promising to remove a handful of poor-selling high-alcohol lines. The Scottish Licensed Trade Association has made this very point.

We therefore believe that the risks of creating a system weighted in favour of the largest businesses outweigh any possible health benefits that may come from increased employment.