About Noctis

Noctis represents a wide range of businesses operating primarily within the night-time economy. We have been in operation since the early 1950s under a range of names – from the Association of British Ballrooms, to the British Entertainment and Discotheque Association, to the Bar Entertainment and Dance Association.

Over this period the membership has shifted with the many changes within on-trade retail. Now we represent night clubs, bars, live venues and a range of hybrid bars which operate in the day and night time economy, throughout the UK. One of the reasons for changing the name to Noctis in February 2008 was to acknowledge the increasing diversity of the sector we now represent. We count single site operators, small chains as well as major high street brands amongst our membership and all types of venue are represented on the current committee.

Our principle aim as an organisation is to help provide the best trading conditions for our members. This means working proactively with them, listening to their concerns and issues and devising workable solutions which will aid their businesses.

Noctis response

The advantages/disadvantages of establishing a minimum sales price based upon a unit of alcohol

Noctis has been a long-time supporter of minimum pricing (based upon alcohol unit) – although not all of our producer members are in favour. As far as UK operators are concerned however, the rise of the pre-loading issue – where people have a number of drinks (purchased from off-trade outlets) before heading out to a club or a bar, has had a major effect on the on-trade throughout the country.

According to the CGA Strategy figures published in early 2009, 71% of customers are now pre-loading alcohol before they leave the house.

This means in effect that customers are generally arriving at venues later in the evening than they were a few years ago. When questioned a large percentage of those asked say they are not visiting pubs and other feeder bars before going to a late night venue, instead they prefer to drink at home.

The most common reason why people chose to drink at home is that the differential between on-trade alcohol and that bought at the supermarket is very large. We would contend that there is a valid reason for off-trade alcohol to be a little cheaper as the associated costs are not as high, yet when off-
trade alcohol is often 5-6 times cheaper, it is very hard indeed for bars and clubs to compete.

Noctis would argue that because alcohol is being sold as a loss leader – or with a negligible profit margin this is having a negative impact on the on-trade. In Scotland on trade restrictions brought in under the 2005 Act have created an unlevel playing field where supermarkets are still allowed to discount whilst bars and clubs are not. This doesn’t seem like a sensible way to foster a sensible drinking culture.

The level at which a proposed minimum price should be set at and the justification for that level

The most widely suggested price per unit is generally either 40 or 50p per unit. We would not object to this level being set. At Noctis we are keen that if a mechanism is established, then there should be a robust framework in place to ensure that once set the price is not being increased a very regular intervals.

We would argue that some of the pressure to bring in minimum pricing is from those groups which are very anti-alcohol (sometimes referred to as “neo-prohibitionists”) and therefore have a vested interest in making alcohol as expensive as it can be.

We believe that a proper accommodation has to be reached where it is deemed to be an attractive option to consume alcohol within the tightly regulated confines of an on-trade premise. At present, all the pressure (through aggressive off-trade promotions) is to encourage customers to purchase alcohol for consumption away from licensed premises.

We do not believe that this is helpful in terms of encouraging drinkers in the wider populace to consume alcohol sensibly.

The rationale behind the use of minimum pricing as an effective tool to address all types of problem drinking

As mentioned above, reducing the vast differential which currently exists between on-trade and off-trade pricing would encourage more people of drink within the tightly regulated environment of the licensed premise. Where alcohol is heavily discounted and there are no barriers to consuming whatever amount an individual chooses, (i.e. no one to refuse sale) then we believe this is not helpful in addressing problem drinking.

Possible alternatives to the introduction of minimum alcohol sales price as an effective means of addressing the public health issues surrounding levels of alcohol consumption in Scotland

The most obvious alternative to the introduction of minimum pricing would be to ban the sale of alcohol below tax and VAT. This would stop larger off-trade retailers from absorbing the cost of alcohol in order to entice customers into
their stores. By creating a more level playing field in this regard, off-trade retailer would be obliged to produce more responsible promotions.

The advantages and disadvantages of introducing a social responsibility levy on pubs and clubs in Scotland

We believe that there are already sufficient powers within the Bill to tackle irresponsible retailers and would suggest that a premises licence review application under section 36 may be a better way of dealing with problems than creating a levy which is levelled at all operators in a given area. We would argue that there is little or no incentive to strive to be a more responsible operator (i.e. above and beyond the statutory minimum) if a social responsibility levy is forced on all retailers – good, bad or indifferent.

A social responsibility fee would deter good operators from investing into their premises for such items like first-aid, CCTV, training, social responsibility. There are many examples today of operators raising the bar in this regard and ensuring safe, well run premises for the visiting public. Those operators will see the social responsibility fee as another tax and will therefore not invest further in safeguards as described. A social responsibility fee will not stop anti-social behaviour whereas the operator investing in safeguards will.

We also believe that key stakeholders should work with licensed retailers to ensure that standards are being raised, rather than taxing an already beleaguered industry.

The justification for empowering licensing boards to raise the legal alcohol purchase age in their area to 21

This proposal makes little or no sense since it firstly demonises all 18-20 year olds. We would argue strongly that if an 18-20 has access to all the other rights and responsibilities in our society at 18, then disallowing all 18-20 year olds from purchasing alcohol seems disproportionate.

We would also argue that if a location has a problem with a small number of young adults then a version of the Drinking Banning Order (recently brought in for England and Wales) may be a better solution.

The role of promotional offers and promotional material in encouraging people to purchase more alcohol than they intended; and Any other aspect of the Bill

We would suggest that incentives to offer alcohol for much lower unit prices when bought in bulk than when purchased a single drinks, should be discouraged.

Paul Smith
Executive Director
NOCTIS
20 January 2010