

Association of Small Direct WineMerchants

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Open letter to James Purnell, Minister for broadcasting, tourism, licensing and the creative industries.
Department of Culture, Media, and Sport

Dear Sir,

Re: Licensing Act 2003

Deep concerns exist amongst the community of small online wine retailers about the Licensing Act 2003, and the damaging way in which it is being interpreted and operated by many Local Licensing Authorities. Whilst supporting the primary objectives of the Act in regulating establishments serving alcohol to the public, we feel it fails to take into account the needs of our completely different type of business. This "one size fits all" approach is flawed, for numerous reasons.

The Act clearly targets issues arising from modern-day "drinking culture", related to safety and public disorder fuelled by city-centre binge-drinking, and public nuisance caused by noise from entertainment, cooking smells, parking problems, etc. These issues have one thing in common - **the consumer visits the premises**. Alcohol is consumed on those premises, or taken away in person, by the consumer, to be consumed elsewhere.

Online retailers are essentially mail-order only businesses that do not strictly have "premises". Stock is kept in bonded warehouses, small storage facilities, or their personal homes and the public is not invited into these places. Alcohol is delivered to the customer's home or place of business. Individual drinks are not sold and tastings, if offered at all, are by invitation and limited in amount. The premises license application form contains a clear presumption of attendance by the public to "premises", covering issues such as fire and health and safety, and requires the submission of detailed building plans. Yet no customer ever visits our "premises". It is nonsensical to consider there are "premises" to be licensed. The issue of whether a merchant is a "fit and proper person" to sell alcohol is dealt with by the mechanism of the Personal Licence, which we support. We are disadvantaged relative to overseas online merchants supplying UK customers; a Calais or even Cape Town based online merchant would not be covered by The Act. We urge that an exemption be granted from the need for a premises licence for mail-order companies.

Moreover, distinct problems exist with the Act's implementation, which is inconsistent across the country. While some licensing authorities have taken the practical approach and agreed that no premises license is required under some of the circumstances outlined above, many have not. Examples are emerging of authorities concluding that merchants storing alcohol in large communal warehouses, even if in a self-contained space occupying only a tiny fraction of the whole warehouse, must pay a license fee based on the rateable value of the **entire** warehouse. Any common-sense approach would base the cost on a pro-rata surface area. This interpretation obliges merchants to license **up to 1000 times** their storage

space. This is far from hypothetical - in one particular case, a small online retailer with a storage unit of only 65 square feet has been told he will have to pay the same fee as a local Hypermarket, and three times the fee for typical local pubs. This results in disproportionately high fees for small merchants, and in some cases the local authority obtaining multiple fees for the same premises (when more than one business stores alcohol in the warehouse). Again there are real-life examples of this situation. This is neither reasonable nor equitable.

Small mail order wine merchants offer a real service to the public; we provide access to quality products from small innovative producers and less well-known regions not serviced by mainstream High Street suppliers and supermarkets. Many of us are micro-businesses, attempting to establish ourselves in an already difficult business environment. For us the proposed premises licence costs are crippling.

We do not believe that sufficient consideration has been given to us by this Act. If, as it states, the Government wants small businesses to thrive, such unforeseen inconsistencies must be addressed and resolved before the Act is fully implemented. If not, the addition of these substantial (and completely unnecessary) overheads would make it increasingly difficult for us to compete, and would threaten the very existence of small businesses such as ours. This would be to the advantage of nobody; the merchants themselves, a public seeking diversity, or indeed the image of a Government which has stated publicly its support for small businesses.

We therefore urge the Department for Culture, Media and Sport to urgently review the issues we have raised, and to take swift appropriate corrective action to eliminate these injustices.

Yours sincerely

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