



## SCOTSMAN GROUP

### CONSULTATION ON OVERPROVISION OF LICENSED PREMISES

Scotsman Group,  
Hamilton house,  
70 Hamilton Drive  
Glasgow

13 May 2024

Dear Mr Mays,

#### **CONSULTATION ON OVERPROVISION OF LICENSED PREMISES**

The Scotsman Group is a diverse Scottish business, which has traded for over 30 years and operates primarily in the leisure and hospitality, convenience retail and property development/investment sectors. We have an interest in the above consultation as the holder of various premises licences, for both hospitality premises (generally on-sales, with off-sales permitted) and convenience retail premises (solely off-sales). We also have a general interest in the growth and prosperity of Edinburgh City Centre, as the owner of various business in the city, including five hotels. This correspondence should be treated as Scotsman Group plc's response to the above consultation.

#### **OVERVIEW**

We agree that each licensing board should have the opportunity to designate areas as being areas of overprovision. However, post-Covid and in the current challenging financial climate, we would encourage the City of Edinburgh Licensing Board to take note of the current decline in the number of hospitality venues across Edinburgh, and the country as a whole. This decline has a clear direct economic impact, in terms of jobs, rates and taxes sustained by licensed businesses, as well as wider indirect impacts on social opportunities and community spaces, which can often lead to negative effects in terms of mental health and community cohesion.

In a recent article in *The Caterer* (1 February 2024), journalist Clare Nicholls reported that nine licensed premises closed each day in the UK in the final quarter of 2023, with an ongoing decline in the UK pub sector, which has reduced by 43.6% over the last 20 years.

In the hospitality sector as a whole, there has been a significant trend of on-sales premises now being food-led. The number of premises catering solely or predominantly for customers only looking to consume alcoholic drinks has fallen markedly, reflecting a sharp decrease in demand for that type of experience. Furthermore, within our own diverse business, we are recording a significant and ongoing shift in alcohol consumption patterns, with increasing numbers of customers now opting not to consume alcohol - either opting for traditional soft drinks or for the growing range of low/no alcohol alternatives to drinks containing alcohol. We understand this

shift is being experienced by most operators across the hospitality sector. This means the volume of alcohol consumed per licensed premises will be significantly less than, say, five years ago. All indications are this trend will continue.

The increasing dominance of food-led licensed premises, together with trends in decreasing alcohol consumption on a “per customer” basis, are crucial points when it comes to looking at potential overprovision. Looking simply at the number of premises licensed to sell alcohol is a very blunt tool. This ignores the experiences of many of our customers and indeed customers across the wider licensed sector, who may for example be visiting in a group where only a few members of the group consume drinks containing alcohol. Customers value that balance and the ability to find a venue that caters for customers wishing to consume alcohol but with a range of alternatives for those who wish not to.

It should also be noted that licensed premises provide a significant number of venues for key Edinburgh events, including the Edinburgh International Festival and Fringe. They also provide hospitality experiences to those visiting the increasing numbers of large scale events at venues such as Murrayfield (which as a stadium has had its own licensed capacity increased). It has to be borne in mind that preventing new venues from opening, by deeming there to be overprovision, will limit the opportunities for new venues to enhance the existing festival and general visitor experience, effectively putting a halt to these opportunities to further develop and grow the city’s economy.

Turning to our experiences within the convenience retail sector, where sales are conducted solely on an off-sales basis, the days of traditional off-sales premises (with very little else on sale beyond alcoholic drinks) are effectively over, save for higher end retail of whisky, spirits and wines, where there is a sufficient market for more expensive products (with higher margins) to allow these businesses to function without a wider range of products for sale. In all other areas of food and drink retail, customers value having choice from a wide range of items and businesses like ours, operating in the convenience retail sector, are required to stock alcohol along with a wide range of other food and drink products in order to remain viable. Alcohol is undeniably part of the sales mix but we have seen no recent evidence to suggest that off-sales of alcohol in Edinburgh is at a level beyond what might be expected in a bustling and vibrant city with residents and visitors from the widest imaginable range of demographics.

## **COMMENT ON AREAS OF OVERPROVISION**

### **Old Town and Tollcross**

We submit that it is not appropriate that the current Old Town and Tollcross areas of overprovision remain designated as areas of overprovision. These together comprise the core retail and hospitality zone of the city centre. Edinburgh succeeds in attracting impressive numbers of incoming visitors, with the associated economic benefits they bring, in no small part due to the city’s retail and hospitality offering. As the city’s retail offering continues to evolve, its core hospitality offering must have the same opportunities. As an example, the recently expanded St James’ Centre, along with the continuing increase in online shopping, has clearly had a detrimental effect on some of the more traditional high street retail areas of the city centre. Hospitality is the obvious answer to plugging some of these new gaps, enabling the city centre to remain vibrant. One only has to look at Glasgow city centre to see the challenges faced by a city centre in decline. It is a given that quiet / empty / closed city centres lead to an increase in crime and antisocial behaviour, which can quickly spiral out of control, damaging the city’s reputation.

## **Deans Village**

We submit that the central New Town area (east of Queensferry Street) should be removed from the Deans Village area of overprovision. This area is distinct from Deans Village, with each having its own character and visitor demographic. They cannot reasonably be considered as a single area. Other than that, we have no submission to make.

## **Southside**

We have no specific submission to make.

## **New Areas**

We submit there should be no further areas of overprovision.

## **IMPLEMENTATION**

In implementing any overprovision policy going forward, it must be borne in mind that identification of an area as an area of overprovision is simply a starting point. It is not to say that no further licences can be granted in that area. As part of consideration of new applications within areas of overprovision, we submit that the following points should be considered:

1. strong consideration should be given to the proposed offering of any applicant for a premises licence, with exceptions granted for applications where the predominant use is not simply the sale of drinks containing alcohol on a standalone basis (e.g. food-led or entertainment-led venues should generally be permitted);
2. consideration should be given to the number of premises in the immediate vicinity, which is more pertinent than a wider city centre area (there being significant distances between the edges of current overprovision areas);
3. strong consideration should be given to any application which relates to premises which have been vacant for more than a short period of time, with grant of a licence supported where there is a clear opportunity to bring a vacant unit back into use;
4. following significant reduction in the available short term lets within the city, applications for premises licences for premises which also have bedroom accommodation should be given strong consideration, with grant of a licence generally supported in these circumstances.

We would welcome the opportunity to discuss these matters, and other general licensing matters, further in any appropriate forum with a view to assisting and contributing to a vibrant Edinburgh licensing regime.

Yours sincerely,



Lesley Welsh

Chief Operating Officer

Scotsman Group plc

