



# News Bulletin

June, 2009 Issue



National Federation of Retail Newsagents

## THOUGHTS FROM THE PAST PRESIDENT



Although he has sold his shop, Immediate Past President John Currie has no intention of sitting back to watch the world go by. He is still very much a "Federation Man" and this was epitomised by the presence of Ayaz Bhutti who took over John's shop in Falkirk at the Scottish Conference and his son Omar who was a delegate at Torquay. By all accounts both enjoyed their involvement and found the experience very useful, due in no small part to John's support.

It is hardly surprising that John should want to see more people being committed to Federation activity because he regarded membership as one of the key issues during his time as Scottish President and spent time and effort in his attempt to revitalise branches in Scotland. He is very appreciative of the work of the Appointed Officials in Scotland as well as the efforts of the Membership Committee in encouraging non-officered and dormant branches to hold meetings and become active again.

Another area of Federation work which John considers to have been a highlight during his year was the legal and parliamentary side. With separate legislation in Scotland on both tobacco and alcohol, it was imperative that issues affecting our members were being brought to the attention of MSPs. This was comprehensively achieved largely through the efforts of Jim Maitland and David Woodrow on the L&P Committee, with a Parliamentary Reception at Holyrood providing an excellent opportunity for our members to express their concerns to their MSPs

This theme was carried on to the Scottish Conference at Cumbernauld where the key Speaker was Health Minister Shona Robison MSP who insisted that the welfare of the small Independent Retailer was a concern of the Scottish Government in spite of impending legislation.

John was pleased that Scottish Conference produced some lively debate and that there were a number of new delegates. But whilst the hotel location proved to be very popular, the service could have been better and the support at the Dinner Dance from our Trade Partners was down on previous years.

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It would appear that the efforts to get more active participation is continuing to bear fruit as the contingent from Scotland at the National Conference at Torquay was the largest for many years. Not only were they present, many showed themselves to be ready to step forward and speak on matters which concerned their branches and helped to make this year's Conference livelier than for some time, even though John believed that there were too many internal matters on the Agenda and not enough trade issues

He hopes he can continue to serve the Federation on the Scottish Executive and pass on what he has learned to others.

## **SCOTTISH COUNCIL'S ROLL OF HONOUR BESTOWED UPON A LONG SERVING FEDERATIONIST**



During Scottish Conference, Owen Bisset rose to propose his good friend, Jim Maitland, be considered to receive the Scottish Council Roll of Honour for the work he has done for the Federation especially in lifting Aberdeen branch from the doldrums and making it what it is now. The nomination has been seriously considered and he feels Jim should be nominated.

Jim has been involved with the Federation for a great number of years and has held the position of President of Aberdeen Branch, President of the Scottish Council in 2003, currently holds a position on the National Finance Committee as well as being a member of the Scottish Executive Committee.

As Chairman of the Scottish Legal & Parliamentary Committee, he and his colleagues have been working tirelessly to raise the profile of the NFRN with MSP's and have made submissions to Scottish Government on issues such as alcohol and tobacco.

Alex St John MBE was delighted to second the proposal and Conference unanimously supported the nomination.

Presentation of the award took place at the President's Ball and Jim was humbled and very much appreciated the award. He acknowledged that previous recipients were all great Federationists and little did he know when he joined the Federation all those years ago that he would end up in this position. He has thoroughly enjoyed every minute and has made some good friends. He gave thanks to Conference for the award.

## **MOTIONS PUT TO SCOTTISH CONFERENCE**

### ***NFRN Helpline to be highlighted***

Glasgow Branch proposed a motion whereby the NFRN Helpline number be prominently displayed on all stationery used by the NFRN. This was a result of discussions at their recent Branch AGM where it came to light that several members assumed that the wholesaler call centre was, in fact, the NFRN Helpline.

Whilst the motion was agreed in principle, it was amended to incorporate the production of a peel-off sticker that members can adhere to their telephones keeping the NFRN Helpline number to the fore.

### ***Insertion Payments***

Scottish Council have agreed to renew efforts to achieve insertion payment for **all** supplements supplied rather than net sales in light of the potential loss of revenue from

cumulative weight allowance as a result of the present economic climate. Falkirk Branch put forward a motion in this regard and whilst it is already policy it was felt it should be highlighted as this is an outrageous practice.

### ***Registration of HND personnel***

A motion was put before Conference asking Scottish Council to investigate ways to standardise registration of home news delivery (HND) personnel in an effort to encourage members to comply with legislation. At present, members may be put off registering their deliverers due to the amount of red tape, however, if the process was simplified, members would be more likely to comply. One of the difficulties faced is the fact that there are 32 Local Authorities in Scotland all operating different schemes, if there was a standard process it would certainly simplify the process.

## **MEET THE SCOTTISH COUNCIL OFFICIALS FOR 2009**

**Scottish President: Dave Forbes, Dundee Branch**



Scottish Council unanimously elected Dave Forbes as their Scottish President for the forthcoming year. Dave felt very privileged to be elected and acknowledged John Currie's sterling work over the past year. He promised to do his best to carry on the good work of the Federation and to focus on improving membership during his year in office. He didn't want to make promises about what he intends to do, but instead hoped to be able to highlight his achievements at next year's conference and is looking forward to a productive and enjoyable year.

**Scottish Vice President: Abdul Qadar, Edinburgh Branch**



Abdul Qadar was elected as Vice President and he too would like to focus on the development of the membership as he feels there is wealth of untapped resources out there.

**National Councillors:**



**Dave Forbes**  
Dundee Branch



**Abdul Qadar**  
Edinburgh Branch



**Ian Shaw**  
Glasgow Branch



**Dave Woodrow**  
Paisley Branch

You can be rest assured that all of the above officials will be working hard on behalf of the members of the NFRN over the forthcoming year and we wish them every success.

### ***The Good, The Bad & The Ugly!***



**The Good: Excellent representation from Scotland at Annual Conference in Torquay**



**The Bad: The continuing reduction in cover price of The News of The World**



**The Ugly: The further introduction of vouchers by Express Newspapers devaluing the market**

## **KNIFE CRIME AT IT'S WORST**

Bob Adie, our Retail Development Manager for the North of Scotland, asked that we highlight the importance of security as one of our members had their shop in Rosehearty held up at knife point. The member of staff involved is recovering from the shock and thankfully the criminal responsible has been apprehended, which is good news. Having said that, sadly the shop was subsequently targeted on another two occasions by thieves who attempted to break in. Our best wishes go out to those who were subjected to the trauma of the attack.

It seems that knife crime in particular appears to be more prevalent in the area therefore we would like to ask everyone to be more vigilant to ensure the safety of themselves, their staff and premises. If you would like assistance with regard to crime prevention, please contact the Crime Prevention Officer at your local Police Station or one of the Crime Liaison

## **ATTACKED WITH AN IRON BAR!**

We are sad to have to report yet another attack on an NFRN member, this time it was Scottish Council Official, Matt Donnelly of Ayrshire branch who was hit on the head with an iron bar resulting in 9 stitches to his head. Matt is, fortunately, recovering well and our best wishes go out to him.

This is yet more evidence that retail crime is a very serious issue and any member who experiences first hand the effects of retail crime should report it to their local police. If we cannot provide accurate statistics showing how bad the situation is, our plea for help will be ignored.

## **BOOKER—The NFRN Preferred Wholesaler**

For those of you who do not already use Booker as your wholesale supplier, if you were to pay them a visit now you will find that they have refurbished a lot of their depots and now offer improved pricing and service to all their customers.

The NFRN are therefore delighted to recommend Booker to their members and encourage everyone to try them at least once to see what they now offer and reap the benefits.

The following bullet points give an overview of what you can expect at Bookers:

- Covers a range of needs including traditional cash and carry, promotional support, Spend and Save scheme, Essentials range, Retail Club, quality own brands such as Euro Shopper and a low-cost symbol group package with Premier
- Exclusive member deals and opportunities throughout the year
- **On average over 2% cheaper** than other wholesalers
- Order via the internet, epos or collect from branch
- Delivery available 7 days a week (subject to terms and conditions)
- **Free** delivery (subject to order size)
- **Free** credit card transactions
- Pay by phone facility
- Early opening hours
- The Retail Best Sellers list can be used to guide the core range in your store.

As an incentive, the NFRN are offering new customers to Booker £50 worth of vouchers which can be redeemed in multiples of £10 for each spend of £300 or more.

For more information, or to receive your vouchers, please contact your RDM or call the NFRN Helpline on 0845-601-5818.

## **DATA PROTECTION—Make Sure you adhere to the rules**

Retailers are, more often, being contacted by publishers requesting details of their customers so that the publisher can promote special offers or voucher schemes they are running.

The NFRN would like to remind all retailers that, under the Data Protection Act, they have a duty of care to their customers and must be registered under the Act (known as "Notification") if they intend to store customer's personal data and, particularly, if they intend to transmit that data to a third party. Data that just contains names and addresses (i.e. non-sensitive information) normally only requires negative customer consent (i.e. the customer must physically opt out if they don't want their data passed on to a third party.) That said, some customers may complain if their data is passed on to a third party and it is always good practice, therefore, to obtain the customer's permission before giving out any of their details. This is something that you could do, in a short document setting out your terms for payment to HND customers, if you include as a tick box that customers can tick, if they don't want their details passed on to a third party.

You must then honour that instruction.

You should also note that you are under no obligation to any third party to pass on customer information, and you may wish to consider the long-term implications if you do so. At the very least, if you do decide to pass on consumer information to a third party (assuming you have undertaken the necessary registration and your customer has no objection) you should insist on a formal written document that is dated and signed by a person in authority, that spells out exactly what the customer information is to be used for and confirming that the data will be held securely, disposed of when no longer required and not passed on to any further third party. If then it comes to your attention that the data is being used for another purpose, you may have some legal come-back.

You might find the following information useful:

"Notification is a statutory requirement and every organisation that processes personal information must notify the Information Commissioner's Office (ICO) unless they are exempt. Failure to notify is a criminal offence.

Notification is the process by which a data controller informs the Information Commissioner of certain details about their processing of personal information. These details are used by the Information Commissioner to make an entry describing the processing in the register of data controllers that is available to the public for inspection.

The principal purpose of having notification and the public register is transparency and openness. It is a basic principle of data protection that the public should know (or should be able to find out) who is carrying out the processing of personal information as well as other details about the processing (such as for what reason it is being carried out). Notification, therefore, serves the interests of individuals in assisting them to understand how personal information is being processed by data controllers.

It is not, however, intended that the register should contain very detailed information about a data controller's processing. The aim is to keep the content at a general level, with sufficient detail to give an overall picture of the processing.

Before making a new application, please check the register of data controllers to ensure you are not already registered.

You can complete the notification form online, print it out and send it with the notification fee of £35 or your direct debit instruction. The address is:

**The Information Commissioner's Office  
Wycliffe House,  
Water Lane,  
Wilmslow  
Cheshire SK9 5AF Tel: 01625-545740**

## **SERIOUS CRIME HITS YOUR BUSINESS!**

### **Help stamp it out in your Community.**

There has been a significant development throughout Scotland of organised crime, particularly run by groups originating in South East Asia. Their criminality appears to be centred around cannabis cultivation which, in turn, funds their other criminal activities in people trafficking, prostitution, money laundering and counterfeit goods.

These uncaring criminals are causing immense damage to people, to individual businesses and to Scottish society as a whole. The damage is huge and can be financial or physical – or both. It includes counterfeit goods, slavery (*trafficked women into prostitution, trafficked men to work as cannabis farmers, etc*) brutal physical assaults, torture and even murder. These are NOT amateurs growing a few plants for personal use – we are talking about tons of herbal cannabis being produced at any time. Make no mistake – this affects all of us. The social cost to communities and losses suffered by legitimate businesses are significant and we cannot sit back and ignore it. One way or another we all end up paying the tab. **Your business can only thrive if your local community thrives. Organised crime activities are a direct and major threat to that.**

A multi-agency task force has been formed involving all Police Forces in Scotland, the Scottish Crime & Drug Enforcement Agency (SCDEA), the Serious Organised Crime Agency (SOCA), the UK Border Agency, the Crown Office, the Procurator Fiscal Service and other agencies. The objective is to detect, disrupt and dismantle organised crime groups and seize their criminal profits. It is recognised that this can only be achieved with the assistance of individuals, community groups, business organisations and associations, the NFRN being one of them.

Part of the role of the Scottish Council of the NFRN is to assist and protect our members from situations which are damaging to their businesses and we can offer advice which becomes available to us from the Scottish Business Crime Centre and other authorities but to be really effective we are asking for your co-operation in the fight to safeguard and support the communities which provide us with our livelihood. Being proactive and engaging with the authorities, we can;

1. Help to safeguard local communities (our source of income)
2. Avoid the dangers of supporting organised crime groups by dealing in counterfeit goods

Help make our communities a more hostile environment for the criminals.

#### **How you can help.**

Most NFRN members operate at the heart of a community and like any good business operator they should have excellent knowledge of that locality. For many of our members the sale of low-cost counterfeit goods by others may be an important issue when it adversely affects our members' sales of genuine goods. More dangerous perhaps, are the consequences of a member taking in supplies (knowingly or unknowingly) of counterfeit goods for resale. Clearly, we should be buying goods only from recognised, genuine suppliers and do not be fooled or coerced into taking stock from casual callers offering 'bargain prices'. You have a lot more to lose than any potential financial gains you may hope to pick up from some of those 'bargains.' Organised criminals do not care

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who gets hurt in the process and in the manufacture of anything - be it cigarettes, cosmetics, drink products, and even grocery items such as cooking oils etc, - many of the cheap ingredients used by them can be highly toxic. Pass that on to your customers and you can wave goodbye to a business future in your community!

### **What's in it for you?**

Perhaps a cynical way to look at such a serious problem but the question will undoubtedly be asked. There is clear evidence that when the general public are given the right circumstances, they do respond positively to the police by providing information about activities which have a harmful effect on their communities. It therefore makes good business sense to do everything you can as a local business to support the community that provides you with your livelihood. By failing to react against organised crime you open the door to a gradual destruction of the community you operate in. It's your future – look after it!

### **What to look for.**

Windows of a property (any type of property) that are permanently covered from the inside.

Visits to the premises occur at unusual times of the day or night.

People often do not live on the premises and only visit to maintain them.

The cannabis or by-products, such as used fertiliser, will be removed in black bin bags or laundry bags.

There may be a vent protruding through the roof or rear window.

There may be a pungent smell coming from the premises.

There may be noise coming from equipment on the premises. (e.g. cooling fans)

### **What you should do.**

1. Phone your local police office about your suspicions, or....
2. Phone your NFRN Crime Liaison Officer (details below) who will pass on the information to the appropriate agency without revealing you as the source, or....
3. Phone CRIMESTOPPERS anonymously on 0800 555 111. CRIMESTOPPERS is not part of any police force. It is a registered charity for people who want to get information to the police without being identified. The call is free, your call is NOT recorded, nor will it be traced, you will not have to make a statement or appear in court and you will NOT be asked your name or any other personal details. It operates 24 hours a day, every day of the year and has an interpreter service for over 100 different languages!

**It is what you know – not who you are – that is important.**

**Your NFRN Crime Liaison Officers  
for areas covered by the following police forces are;**

**Grampian Police Force, Northern Constabulary & Tayside Police Force:  
Jim Maitland, Tel: 01224 682 935. Email: [j-maitland@talk21.com](mailto:j-maitland@talk21.com)**

**Strathclyde Police Force and Dumfries & Galloway Police Force:  
David Woodrow, Tel: 01505 862 338. Email: [davidwoodrow@btinternet.com](mailto:davidwoodrow@btinternet.com)**

**Central Scotland Police Force,  
Fife Constabulary and Lothian & Borders Police Force:  
Angus Stewart, Tel: 0131 331 2390. Email: [ajs30@tiscali.co.uk](mailto:ajs30@tiscali.co.uk)**

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Organised crime groups currently operating in Scotland clearly present a threat which is a danger to society as we know it. The experience across the globe is that it is most dangerous when it can operate free from public awareness and official scrutiny. Unless a stand is taken by Scottish society to make life very difficult for those groups, it will continue to spread through our communities and into business and other organisations, making life even more difficult for our members than it already is. Keep your community and your business safe.....

## **Report Crime – Every Time!**

# **NATIONAL MINIMUM WAGE UPDATE**

## **2009 Increase to National Minimum Wage**

The UK Government has announced the National Minimum Wage will increase by 1.2% on 1st October 2009 as follows:

- Adult rate up to £5.80 from £5.73
- 18-22 rate up to £4.83 from £4.77
- 16-18 rate up to £3.57 from £3.53

From 2010, 21 year olds will be entitled to the NMW adult rate and it will no longer be possible to pay them the development rate.

## **Increased fines for Non-Compliance with National Minimum Wage**

From 6th April, 2009, if a compliance officer believes that you have failed to pay at least the National Minimum Wage to a worker, the officer may serve a notice of underpayment on you requiring you to:

- Repay arrears of the minimum wage to each named worker. Arrears are calculated by reference to the current rate of the minimum wage where this is higher than the rate in force at the time of the underpayment.
- Pay a financial penalty for non-compliance with minimum wage legislation. The penalty is half the total underpayment for all the workers underpaid for pay reference periods starting on or after 6th April, 2009, with a minimum penalty of £100 and a maximum penalty of £5,000.

If you fully comply with all the terms of the notice of underpayment within 14 days of service of the notice, the penalty is reduced by 50%. You may appeal against the notice of underpayment within 28 days of service of the notice.

If the above steps do not result in you complying with the notice of underpayment, the enforcement officer can:

- Take a case to a tribunal or Sheriff Court on behalf of the worker
- Prosecute the employer—deliberate refusal to pay the National Minimum Wage is a criminal offence.

## **PPA SCOTLAND Scottish School Magazine Awards**

The NFRN are, once again, supporting the PPA Scottish School Magazine Competition.

All 445 secondary schools in Scotland have been invited to take part with 65 having registered so far - which is already more than in the previous year.

The purpose of the competition is to get pupils involved in the production of a magazine, ie preparing and editing articles, layout of the publication and the production of the final magazine. Hopefully this will result in raised awareness of the news industry and what it entails—not to mention introducing them to career opportunities for pupils on leaving school.



Dave Forbes is seen here presenting last years award for “Best Commercial Strategy” and this year’s ceremony is being held at “Our Dynamic Earth” in June and we will report the winner of the NFRN Award in our next edition.

## **SNIPPETS CORNER**



### **Statutory Holiday Pay has Increased**

From 1st April, 2009 the statutory minimum for paid holiday entitlement increased from 4.8 to 5.6 weeks (24 to 28 days for those working a five-day week).

### **N Power withdraw their deal**

The existing n power deal with the NFRN, where members can receive up to 34% off n power’s standard prices for new contracts, is being withdrawn with immediate effect.

This decision has been taken by n power for commercial reasons, as they feel that the current offer is no longer financially viable for them.

N power are working on another proposition for our members, but until such time when any new proposal becomes available, there is no specific NFRN offer. If however, any members do contact n power to enquire about a new contract, they will be given the best price available that day on their standard packages and a small incentive.

### **Free health check for every small business**

With the current economic slowdown, what better time to make sure your business is fighting fit? Business Link offers a free business health check for all small businesses. For more information, or to use the health check tool straight away, visit: [www.businesslink.gov.uk/businesshealthcheck](http://www.businesslink.gov.uk/businesshealthcheck)

## **NFRN HELPLINE - 0845-601-5818**

During a joint meeting of Glasgow and Paisley branches, it became very evident that our members were not aware that the NFRN Helpline was, in fact, different to the Menzies Call Centre.

Menzies Call Centre exists to take your calls and deal with any wholesaler issues you may have with them.

The NFRN Helpline exists to help you with any queries you might have about your membership, commercial deals, legal advice, employment advice to name but a few.

More importantly, the NFRN Helpline will also assist you with any issues you may have with

your wholesaler. In fact, even if you have had your problem resolved directly with Menzies, we cannot impress upon you enough the importance of reporting your problem to the NFRN Helpline. Not only are they experienced in dealing with wholesalers and getting results, they also collate statistics detailing the number and type of complaints our members experience. This information is used to produce a chart which can then be provided as proof of your complaints when we enter into discussions with the wholesaler.

So please, take the time to make the call to the NFRN Helpline. As the name suggests - they are there to help!

## **NFRN HELPLINE - 0845-601-5818**

### **TRAINING COURSES**

In each edition of the News Bulletin we feature training courses that are available through Business Gateway in Scotland—all of which are free of charge.

As things stand we are not aware of anyone who has attended any of these advertised courses, therefore put out a request for you to contact us if you have so that we can print a testimonial in the News Bulletin to let other members know whether or not they are worthwhile attending.

Please contact Angela on 01259-721738 or email her at [angela@nfrn-mail.org.uk](mailto:angela@nfrn-mail.org.uk)—she'll be delighted to hear from you.

# HOW TO MINIMISE CONSUMER COMPLAINTS ABOUT CHILD EXPOSURE TO “GROWN-UP’S” TITLES

## **Adult Top-Shelf Titles**

With the expressed permission of the publishers of Adult Top Shelf titles, the NFRN publishes and recommends the following Code of Practice:-

- That Adult Titles should be displayed on the Top Shelf only and out of the reach of children
- That Adult Titles should not be sold to any person under the age of 18 years.
- That Adult Titles should only be acquired from bona fide trade channels (on the basis that these will have been vetted by the suppliers' lawyers for compliance with legislation)
- That care and sensitivity be exercised over the display of Adult Titles with explicit front covers

Members are also advised to be responsive to the views of their customers and, in particular they are advised that they are not obliged to stock these titles if they have objections on religious, moral or other grounds.

## **“Lads Mags” (and “Ladies”) with front covers or content that may offend some customers**

These titles are not Top Shelf titles, however we do urge members to be sensitive to the concerns of consumers, particularly in relation to the display of titles with front covers and/or content that may be inappropriate to display at a young person’s eye-level or below.

To minimise complaints from consumers, without adversely affecting the sale of these titles, we recommend:

- That you do not display them at children’s eye-level or below, to ensure

that they are not in the direct sight and reach of children

- That you do not display them adjacent to your display of children’s titles and comics
- Where display space restraints preclude the above, that titles with front covers that may cause concern are part-overlapped with other titles so as to minimise the potential for offence to parents with children.

## **Other Titles and National Newspapers**

The size of some titles preclude them being displayed from a magazine rack. However, with a little common-sense you can still minimise consumer complaints about titles with front covers that may cause offence, for instance:

- You can fold newspapers in half so that the masthead and price is exposed, but the front cover picture is not.
- On a plinth display, you can overlap newspapers with other newspapers to leave the masthead and price exposed but not the front page picture.
- Where a title carries a masthead on the back page, as well as the front, you can display the back page uppermost.

By following this advice, it is most unlikely that you will adversely affect the sale of any title. On the contrary, by making your customers aware that you adopt a “family friendly” policy on display, you may find that parents with children are much happier to shop in your store.

**Remember. It’s your business and you cannot be forced to stock any title that you and your customers find objectionable.**

## **PICTORIAL HEALTH WARNINGS ON TOBACCO PRODUCTS**

All tobacco products supplied by manufacturers must now carry pictorial health warnings (PHW) on the reverse of the pack. For the time being packs with text only warnings will also be present in the supply chain.

Retailers have until **30 September, 2009 to sell through cigarette packs** and until **30th September, 2010 to sell through stock of roll your own tobacco, cigars and pipes** without PHWs.

Richard Duffett, Imperial Tobacco's pictorial health warning co-ordinator recommends the following:

- PHW stock can be identified using the clear PHW markings on every outer of product
- Sell all tobacco products **without** PHWs first
- Don't forget to rotate your stock of all tobacco products both on your tobacco unit and in your stock room
- Train your staff to identify the new packs/outers and to rotate stock effectively
- Ensure you merchandise your stock correctly **with the front of the pack facing forwards**

**\*\*\* WARNING \*\*\***

**Retailers selling non-PHW cigarettes after  
30 September, 2009 risk a fine of £5,000  
Don't get caught out, rotate your stock now**

### **KEY DATES**

#### **30 SEPTEMBER 2009**

Last date of sale for **cigarettes** without Pictorial Health Warnings (PHW)

#### **30 SEPTEMBER 2010**

Last date of sale for **other tobacco products** without Pictorial Health Warnings (PHW)

## **CHERWELL GROUP OFFER A RETAIL SALES UNIT A Great Alternative to your Cigarette Gantry**

The Retail Sales Unit from the Cherwell Group is an innovative “pay as you go” cigarette sales unit designed specifically for the news, convenience retailer and forecourt sectors.

Available free on loan and installed on your behalf by fully qualified staff, the Retail Sales Unit is an ideal alternative to the traditional cigarette gantry—but because you only pay for the cigarettes as you sell them, there is no need to tie up your hard earned cash in expensive stock—which is great news for your cash flow!

### ***The Benefits to You***

- Ease those cash flow worries:
- The “pay as you go” system means you do not have to tie your cash up in expensive stock
- Manage your cash flow—just pay for the stock you sell
- Achieve immediate profitability
- Reduce time consuming trips to the cash and carry—leave us to manage your stock, giving you more time to manage your business

### ***Improve your product range and stock control to maximise profitability***

- Stock all the leading brands—in all pack sizes
- Don't give your customers a reason to go elsewhere
- Wider choice improves customer footfall
- We manage stock control so you don't have to—our expertise in tobacco retailing will help you improve sales performance and maximise margins
- Provision of accurate sales date

### ***Improve the Safety of your staff and your stock***

- Valuable stock is locked away in a safe and secure environment minimising the risk of theft
- Reduce the risk of general “stock shrinkage”

### ***No risk solution***

- The Retail Sales Unit is normally loaned to the retailer **FREE OF CHARGE**
- **FREE** installation and service by qualified Cherwell staff
- An effective solution to possible future legislation regarding the sale of tobacco products

If you would like more information on the above, please contact your Retail Development Manager or the NFRN Helpline on 0845-601-5818. Alternatively you can contact the Cherwell Group Direct by calling Michelle Beswick, Divisional Controller, on 07894-606553.

## A WARM WELCOME TO NEW MEMBERS OF THE NFRN

We are delighted to announce that since November, 99 members have joined the NFRN and we extend them a very warm welcome. If you find any of the members are in your area, why don't you pay them a visit to say hello and offer your assistance if required.

Mrs J Robertson, Port Elphinstone	Mr D Jassal, Govanhill
Mrs S Morris, Fraserburgh	Mr K McBride, Glasgow
Mr A Gunn, Aberdeen	Mr M Sijad, Possil
Mrs E Flowers, Fraserburgh	Mr T Anwar, Balornock
Miss J Gardiner, Bucksburn	Mr S Rashid Dennistoun
Miss H Taylor, Kintore	Mr M Hassan, Glasgow
Mr M Daiyan, Aberdeen	Mr D Wooten, East Kilbride
Mr S Hossian, Rosemount	Mr K Ali, Maryhill
Mr S Singh, Aberdeen	Mr A Mahmood, Clarkston
Mrs M Strang, Aberdeen	Mr M Hanif, Cardonal
Mr A V Sanjay, Aberdeen	Mr B Rashid, Shettleston
Mr G Procter, Brchin	Mr A Masair, Shettleston
Mr M Kilbride, Kilmarnock	Mr R Singh, Bearsden
Mrs S Gill, Irvine	Mr U G Munir, Glasgow
Mr G King, Newmilns	Mr S Singh Lalli, Cambuslang
Mr D Cocking, Annbank	Mr M Akrami, Glasgow
Mr N Sarwar, Catrine	Mr M Akrami, Hillington
Mr J Carlyle, Kirkconnel	Mr R Khaira, Summerston
Mr B MacAuley, Kilmarus	Mr M Amin, Glasgow
Mr A Sloan, Ayr	Mr Y Iqbal, Glasgow
Mr M Agram, Garelochhead	Miss N Khaliq, Glasgow
Miss S Stuart, Dumbarnton	Mr A Randev, Duntocher
Mrs S Hunter, Rhu	Mr I Ahmed, Glasgow
Miss M Kapoor, Clydebank	Mr R Ali, Glasgow
Mrs C McCulloch, Stranraer	Mr H Singh, Strathblane
Mr K Dashper, Lockerbie	Mr M Latif, Garnethill
Mrs A Metelski, Auchenclyde	Mr A Hussain, Glasgow
Mrs F Jenkinson, Dundee	Mr U Khalid, Glasgow
Mrs K McIntosh, St Andrews	Mr J Singh Padda, Glasgow
Mr I Hanif, Cowdenbeath	Mr S Shafiq, Nitshill
Mrs M Akhtar, Stoneyburn	Mr G Singh, Kilsyth
Mr M Lallmahamode, Edinburgh	Mr T Hussain, Shettleston
Mr A Latif, Newhaven	Mr K Morris, Nairn
Mrs Z Ashraf, Livingstone	Mr A Fraser, Inverness
Mr S Raza, Dedridge	Mrs J Thomson, Kinlochleven
Mrs P Javed, Edinburgh	Mr A Khaliq, Coatbridge
Mrs R Faiz	Mr A Saddiq, Wishaw
Dalkeith	Mrs M B Tariq, Motherwell
Mr T Mahmood, Edinburgh	Mr J Munro, Coatbridge
Mr M Afzal, Edinburgh	Mr N Singh, Blantyre
Mr M Pal, West Barns	Mr A Sarfraz, Airdrie
Mr Z Chaudhry, Edinburgh	Mr D Kelly, Biggar
Mr S Chaudhry, Preston Pans	Mr D Cairns, Elgin
Mr M Hameed, Edinburgh	Mr M Harris, Elgin
Mr P Munir, Edinburgh	Mr A Murray, Banff
Mr N Farid, Edinburgh	Mr M Hassan, Dufftown
Mr Z Iqbal, Ormiston	Mr P A Morris, Dunoon
Mr M F Bhatti, Falkirk	Mr J Purba, Paisley
Mr O Bhutti, Falkirk	Mr M Hussain, Central Way
Mr T Mohammed, Maddiston	Mr M Z Ahmed, Johnstone

## COMPETITION COMPLIANCE

Whilst the Competition Act 1998 is the UK law that establishes compliance with EU Competition legislation ([http://www.opsi.gov.uk/acts/acts1998/ukpga\\_19980041\\_en\\_1](http://www.opsi.gov.uk/acts/acts1998/ukpga_19980041_en_1)), the following aims to explain to NFRN members what it means to them in more simplistic and practical terms, as well as providing advice on how to remain compliant with the law.

### Background

Prior to the Competition Act 1998, UK competition law was primarily driven by the Restrictive Trade Practices Act 1976. The main thrust of this legislation was to prevent organisations or Associations from making recommendations to their members to undertake collective anti-competitive action against other parties. Whilst transgressors could be brought before the Restrictive Trade Practices Court, the only action that the Court could take was to issue an order to stop the action taking place. Over the years, the NFRN's engagement in different disputes to try and protect the interests of its members, saw it acquire no less than 8 RTP Act Court Orders against it, before the legislation was finally repealed and replaced by the Competition Act 1998.

### The Competition Act 1998

The Competition Act 1998 follows very closely articles 81 and 82 of the Treaty of Rome, creating a very different kind of competition legislation that is based, primarily, on prohibiting certain kinds of restrictive or anti-competitive behaviour. This can be wide reaching and broadly interpreted, but collective actions to fix prices, rig markets or boycott certain goods and services, are some of the more obvious examples of hard-core prohibitions. Other illegal and anti-competitive actions, whilst not quite so hard-core, can include agreements to remove a title from display, or give it less favourable display than other titles, or to act collectively in any way that deliberately sets out to harm the sales of any title.

Not only does the basis of this legislation differ considerably from the old RTP Act, but the basis on which the competition authorities deal with breaches of Act differ considerably too. Under the old legislation the Office of Fair Trading (OFT) was almost solely reliant on evidence that an Association had made a recommendation to its members to engage in collective anti-competitive activity. It did not matter whether any of the members actually heeded the call for action and, other than establishing the existence of a recommendation or agreement, the OFT had no particular powers to investigate complaints; neither did the Courts have any powers to issue fines.

Under the new Act the existence of a recommendation or agreement by members of an organisation or Association to take collective anti-competitive action, is not necessary to prove a breach of the legislation. The mere fact that two or more members are taking action of a same or similar nature may be all that the OFT (Competition Authority in the ROI) requires to commence an investigation. The new Act also gives the OFT very extensive powers to carry out its investigation, which can include "dawn raids", forced entry into premises and searches, and the seizure of computers and documentation that the OFT may require to undertake its investigation. Fines available to the OFT are up to 10% of the annual international turnover, per offence, for each and every business and organisation taking part in the action (this is capped at 4 Million euro in the ROI whichever is higher). In addition, any third party injured by the collective action can take civil proceedings and sue for unlimited damages.

Whilst the same Competition Act also prevents publishers and wholesalers from engaging in cartel-like action, the details given above explain why the NFRN has to adopt a very cautious approach to this legislation.

It is easy to sympathise with, members' frustration when faced with actions by others higher in the news industry supply chain that have an adverse affect on their business and it is a perfectly understandable reaction to want to lash out and cause damage to those acting against them.

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Whilst individual business can act on an individual basis (so long as this does not amount to a direct breach of legislation or breach terms and conditions of supply) acting collectively with others is what the law does not allow. No matter how justified, the law does not, of course, recognise the David versus Goliath scenario where, in the news industry, retailers have very little power to defend themselves against powerful publishers and wholesalers, they are, unfortunately, caught by the same law that prevents multi-national big businesses from acting together as cartels to rig markets or prices. Whilst, therefore, these smoke-filled, mahogany-lined Board Rooms might seem a far cry from typical NFRN Branch or District meetings, unfortunately, in law there is no difference at all.

It is for that reason, NFRN members must act with caution when holding meetings with other members and, if the discussion is about the actions of another party, they need to exercise care in what they say and even more particularly over what may be recorded in minutes or by the trade press on what they say, which might later be used against them in an action by the Competition Authorities. Elected NFRN Officials, or Federation staff, need to be even more cautious over what they say, even if intended as a personal observation, in case this is regarded as a veiled recommendation for others to follow, in view of their elected/appointed position.

It is very difficult to give precise examples of “do’s” and “don’ts” to help guide members, since any kind of action in response or retaliation to that of a third party cannot totally be without risk. However, that risk might be reduced to a negligible and acceptable level if any action that is taken is proportional and justifiable in the circumstances, and is undertaken by an individual on commercial grounds.

For example:

1. We are advised that loose third party advertising material inserted inside newspapers are not an integral part of the product and, therefore, retailers cannot be legally bound to deliver them to home delivery customers unless they receive payment for this service. **Note: Retailers registered to receive payment for delivering third party advertising must undertake this task if they accept the payment for doing so.**
2. Retailers must at all times and in all respects abide by the terms and conditions of supply of their supplier. The only occasion that retailers can withhold part-payment is if the amount of outstanding credits on returned magazines exceeds 25% of the weekly bill.
3. The printed cover price on newspapers and magazines is a recommended retail price. Retailers are free to set their own selling price which may be above, below or at the RRP. The existing price must be obliterated and a new price shown where the price is increased, or a shelf-edge marker will suffice to show the new price where the price is discounted.
4. Retailers are not obliged to take every title from every wholesaler. If for instance, a retailer is supplied by a wholesaler that only offers a small number of titles, and the retailer cannot make a profit on selling them once the carriage charge cost is deducted, then the retailer is entitled to cancel his supply from that wholesaler.
5. Whilst a retailer is entitled to list, or de-list any title by giving appropriate written notice to his wholesaler, he can only do so on an individual basis and not in consort with, or as a collective action, with others.

**This is a non-exhaustive list of examples to give some guidance on what NFRN members can and cannot do individually and it is not intended to be a recommendation on what any member should do.**

Only one thing is sure, both the NFRN and its members can only win the battle for equality and justice in the news industry supply chain if they stay on the right side of the law and use it to their advantage. David Daniel, the NFRN's Trade Relations Manager, also acts as the Federation's Legislative Compliance Officer. David has worked on competition law issues with the NFRN's competition legal advisers for many years, and can always be approached for help and guidance if required. He can be contacted at [dave.daniel@nfrn.org.uk](mailto:dave.daniel@nfrn.org.uk) or on 0207 253 4225.

## **TRAINING COURSES TO SUIT YOUR BUSINESS**

We appreciate that you are all busy retailers, however, there comes a time when you need to update your skills or learn new ones to help your business run smoothly or more profitably. With that in mind, we have identified courses that are run by Business Gateway throughout Scotland. The venues and durations vary and all the courses are **free of charge**, so it might be worth your while considering which would suit you.

Detailed below are those available during June and July and should you require any further information, please call Business Gateway on 0845-609-6611 or alternatively access their website which is [www.bgateway.com](http://www.bgateway.com) where you will find a full list of seminars and workshops on offer.

Seminar/Workshop Title	Date & Venue
Advertising & Promotion	11 Jun—Glenrothes,
Basic Bookkeeping	9 Jun—Glenrothes, 13 Jun—Aberdeen, 16 Jun—Peterhead, 23 Jun—Livingston, 25 Jun—Inverurie.
Bookkeeping	10 Jun—Selkirk, 11 Jun—Dumfries, 25 Jun—Dundee & Selkirk, 30 Jun—Dumfries.
Create a Website Stage 1	4 Jun—Irvine, 18 Jun—Coatbridge.
Create a Website Stage 2	15 Jun—Coatbridge, 29 Jun—Coatbridge.
Credit Control	19 Jun—Grangemouth.
Customer Care 1	2 Jun—Inverurie, 5 Jun—Inverness, 8 June—Alloa, 18 Jun—Coatbridge, 25 Jun—Glenrothes, 31 Jul—Inverness.
Customer Care 2	5 Jun—Inverness, 8 June—Alloa, 10 June—Inverurie, 31 Jul—Inverness.
Employment Law & Regulations	16 Jun—Aberdeen.
Funding the Business	11 Jun—Aberdeen, 16 Jun—Livingston, 3 Jul—Inverness.
Get Real Results from Your Website	3 Jun—Coatbridge, 9 Jun—Edinburgh, 18 Jun—Aberdeen, 30 Jun—Glasgow.
Google Ad Words (Pay Per Click)	9 Jun—Dumfries, 24 Jun—Selkirk.
Improve your Search Engine Ranking	9 Jun—Selkirk, 11 Jun—Irvine, 16 Jun—Edinburgh, 17 Jun—Coatbridge, 23 Jun—Peterhead & Dumfries, 30 Jun—Stranraer, 21 Jul—Grangemouth.
IT for Business—Start Up Workshop	2 Jun—Glasgow, 3 Jun—Dundee, 15 Jun—Grangemouth, 17 Jun—Stirling, 23 Jun—Peterhead & Coatbridge. 24 Jun—Glasgow, 25 Jun—Kirkcaldy & Dumfries. 22 Jul—Alloa, 27 Jul—Grangemouth.
Making Your Business More Profitable	9 Jun—Livingston, 30 Jun—Dunfermline.
Managing Cash Flow & Credit Control	2 Jun—Livingston, 18 Jun—Dalkeith.
Managing Through the Recession	13 Jun—Edinburgh.
Marketing Your Business	5 Jun—Alloa, 11 Jun—Selkirk, 18 Jun—Dumfries, 25 Jun—Coatbridge, 30 Jun Peterhead, 30 Jun—Selkirk.
Networking Skills	8 Jun—Dingwall, 17 Jun—Coatbridge, 19 Jun—Glasgow, 2 Jul—Inverness.
Resource Planning & Management	1 Jun—Edinburgh, 8 Jun Aberdeen, 9 Jun—Dingwall, 11 June—Inverness & Grangemouth. 15 Jun—Inverurie, 16 Jun—Coatbridge & Stirling, 17 Jun—Dumfries & Arbroath, 19 Jun—Peterhead, 22 Jun—Edinburgh, 23 Jun—Hamilton & Kirkcaldy, 25 Jun—Inverness, 29 Jun—Livingston, 30 Jun—Perth, 30 Jun—Dundee, 6 Jul—Dingwall, 16 Jul—Dunfermline, 23 Jul—Grangemouth & Inverness. 29 Jul—Alloa.
Time Management	23 Jun—Edinburgh, 24 Jun—Stirling, 30 Jul—Inverness.
Trading Online	2 Jun—Edinburgh, 9 Jun—Grangemouth, 10 Jun—Stirling, 19 Jun—Glasgow.
Website Builder 1	2 Jun—Dumfries, 3 Jun—Selkirk.
Website Builder 2	16 Jun—Dumfries, 17 Jun—Selkirk.