

# Changing Scotland's Relationship with Alcohol

## September 2008

### Introduction

The Federation of Small Businesses is Scotland's largest direct member business organisation, representing almost 20,000 members. The FSB campaigns for an economic and social environment that allows business to grow and prosper.

FSB Scotland is pleased to offer our views on the above discussion paper as we are concerned that some of the proposals could adversely affect many small businesses.

### Streamlining Government Proposals

We believe that the proposals concerning changes to both the sale of alcohol and tobacco will largely affect the same group of businesses. Since both pieces of legislation are likely to result in a fair degree of upheaval for the businesses, we believe it is crucial that they are developed in tandem, to ensure a smooth transition and a clear implementation of any new regulations. We would also like to suggest that the government consider the use of a common commencement date for the new regulations.

Clearly these proposals will have a significant effect on small businesses and we will be undertaking further consultation work with our membership. We will submit the findings of this exercise to the Government once complete.

### Promotions, Below Cost Selling & Minimum Retail Pricing

The FSB has long supported the ending of irresponsible promotions that encourage binge drinking. However, such intervention has to be balanced against the risks of the government intervening in the market, by deciding the pricing structure for a particular product.

Anecdotal evidence suggests that most small shops are often not the main culprits associated with what might be deemed irresponsible

pricing. The FSB has previously campaigned against the use of 'loss leaders' as a sales tactic by larger retailers.

## **Information for Parents**

The FSB does not have a view on this section of the consultation.

## **Minimum Legal Purchase Age**

FSB Scotland is not persuaded that it is necessary to increase the minimum legal purchase age for alcohol from off-sales to 21 years. There are a number of reasons for this, such as the very practical reason that 18 years is currently recognised as the legal age for everyone to purchase alcohol and tobacco products.

There are currently a number of proof of age schemes in operation that cite 18 as the age when the purchase of alcohol is permitted. The FSB suggests that one positive change could be to have one proof of age scheme which was rolled out Scotland wide, rather than the numerous schemes which currently operate in Scotland.

We also believe that greater effort should be exercised in increasing the awareness of retailers to follow best practice in the area of alcohol sales to young persons. We would support further action to work with retailers though this is probably best tackled at a local level.

## **Social Responsibility Fee**

While the FSB recognises that not all retailers operate within the law, we oppose the idea of a social responsibility fee as it would hit the overwhelming majority of retailers who do operate within the law. Legislation exists to punish retailers who break the law. This should be rigorously enforced before imposing additional costs on small businesses. The proposed fee would also affect the same group of people who have faced higher costs in relation to the new licensing regulations that were recently introduced, let alone the costs of additional government proposals. It would seem an inappropriate time to impose additional costs on this group of small businesses.

We also feel that it would set a precedent if those retailers who sell alcohol paid for the social costs of its effects. Without stretching the point too far, one might reasonably say should the retailers who sell tobacco pay towards the running costs of the NHS for the effects of smoking related conditions? Should fast food companies pay for the effects of obesity? Small business people, who are legitimately going about their business and are already paying business rates, should not be penalised in this way.

Managing local licensing and dealing with appropriate enforcement is of course the responsibility of the local licensing board and its partners. Working together with the licensed trade and communities is the best way to determine what action is best suited to local circumstances. The expectation that measures will result in a decrease in irresponsible

drinking should, presumably, remove the need for an additional fee from licensees.

### **Promotional Material in Licensed Premises**

While the FSB accepts that the banning of such promotional material may be easier to implement for pubs and off-licenses, we see a considerable problem for small niche shops/licensed premises. For example, whisky is a brand known world-wide as Scottish and is a key element in attracting visitors to our country. Other licensed premises may also reasonably wish to promote the sale of local products; such as real ales, liqueurs and spirits. If the Scottish Government is intent on implementing these proposals, we would like to see the regulations written in such a way to permit the responsible promotion of local Scottish products.

### **Separate Alcohol Checkouts**

While we appreciate that the Scottish Government noted that this would not be practical for small businesses, we would like to emphasise that this would be impossible for most small retailers and extremely inconvenient and expensive for other small retailers to implement.

### **Conclusion**

The FSB recognises that this is an extremely important issue for Scotland and we are happy to work with both the Scottish Government and our members to find solutions to excessive alcohol consumption, brought about by inappropriate advertising and the sale of alcoholic products to persons who are under the current legal age of 18.

However, we remain unconvinced that introducing many of the measures in the consultation document will improve the situation, and may be not only unworkable, but also unfair and damaging to those very businesses that are the backbone of our economy and our communities. By penalising adults that drink responsibly, banning the sale of alcohol in off-sales to under 21's, and introducing a social responsibility fee, the Government risks penalising businesses that were only recently hit with the increased costs of the licensing regulations.

We support the Government's aim of tackling the problems associated with alcohol and tobacco, but proposals must be practical and affordable for small businesses; we cannot afford the closure of more local businesses in our communities.

For further information on any of the points raised in this submission, please contact Martyn McIntyre, Policy Officer, on [martyn.mcintyre@fsb.org.uk](mailto:martyn.mcintyre@fsb.org.uk) or 0141 221 0775.