

Health and Sport Committee: Alcohol (Minimum Pricing) (Scotland) Bill

December 2011

Introduction

The FSB is Scotland's largest direct-member business organisation, representing over 20,000 members. The FSB campaigns for an economic and social environment which allows small businesses to grow and prosper.

The FSB represents a number of small businesses who will be affected by minimum pricing legislation. We therefore welcome the opportunity to submit comments to the committee on the Bill.

Comments

We note the committee intends to consider a number of aspects of the Bill, including the merits of the proposal to set a minimum price, the level of such a minimum price and other aspects of the Bill.

Our primary concern relates to the practical implementation of the legislation and ensuring we minimise unnecessary cost and confusion to small businesses. We have therefore limited our comments to these matters.

Context

The FSB has consistently stated that we are not best-placed to comment on the health impacts of a minimum price on alcohol. However, government intervention regarding pricing structures for products should be used sparingly and cautiously. We have previously called for the end of the use of 'loss leaders' as a sales tactic by larger retailers; furthermore, we do not believe that the majority of small businesses are guilty of 'irresponsible' pricing or promotion of alcohol.

Consideration of this Bill must, however, consider the context for this legislation - a period of frequent regulatory change for businesses involved in the alcohol licensing

system and very difficult trading conditions. It is crucial to approach this Bill using best regulatory practice to minimise the potential for additional burdens on small businesses when they can least afford it.

Costs

We welcome the work carried out by the Scottish Government to assess the financial cost of the legislation to different businesses and the engagement with business representative organisations, including the Scottish Grocers' Federation. We note that an attempt has been made to quantify the cost, per retailer, of implementing the changes.

This will necessarily vary from businesses to business but the current estimate may not take full account of the time factor for the smallest businesses to find the relevant information, consider their responsibilities and take necessary action. As the Bill develops, it will be important to ensure the Business and Regulatory Impact Assessment (BRIA) is updated to reflect costs to business.

Implementation

Experience of recent changes to alcohol legislation in Scotland¹ suggests that many problems for businesses arise as a result of implementation difficulties, often because of lack of support, lack of clarity on what is expected and enforcement issues. The smallest businesses may be unsure exactly what is expected of them and how to go about compliance, while local authorities may take different views on how to enforce new legislation (e.g. advisory approach in initial stage or rigorous enforcement). Such problems are clearly unhelpful but often occur because issues around guidance for businesses and enforcement are not fully considered until after primary legislation is passed.

We are keen to avoid such difficulties and would therefore recommend that dialogue with businesses is extended to cover implementation. Ideally, we would welcome an agreed national approach to enforcement. Such an approach requires the full involvement of local authorities in discussions and may lend itself to a short-life group to consider relevant issues, such as support and information material for businesses.

For further information on any of the points raised in this submission, please contact Susan Love, Policy Manager e: susan.love@fsb.org.uk t: 0141 221 0775.

¹ Regulatory Review Group, Report on the Licensing (Scotland) Act 2005
<http://www.scotland.gov.uk/Resource/Doc/917/0099940.pdf> 2010