

# Alcohol etc (Scotland) Bill Evidence to Health & Sport Committee

## January 2010

### Introduction

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

We welcome the opportunity to submit our comments on the *Alcohol etc. (Scotland) Bill* to the Scottish Parliament Health & Sport Committee.

### Minimum 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 'loss leaders' as a sales tactic by larger retailers.

### Social Responsibility Fee

The FSB is aware that there are a small number of retailers who do not always act responsibly. However, we believe that the introduction of a Social Responsibility Fee would affect the overwhelming majority of retailers that do. Legislation already exists to punish retailers that break the law; and we believe this should be rigorously enforced before imposing additional costs on small businesses who are already struggling in the present difficult economic climate.

The FSB would like to point out that those businesses that were recently affected by the *Licensing (Scotland) Act 2005* will mainly be the same businesses affected by these proposed changes.

We also feel that this proposed legislation would set a precedent whereby those retailers who sell alcohol, end up paying for the social costs of its effects.

The FSB does not believe that small businesses in towns and villages across Scotland should be held responsible for the problems faced in a small number of city centre locations. Small business people who are legitimately going about their business should not be penalised in this way.

Indeed, in a recent FSB survey carried out to discover the impact on small businesses of the *Licensing (Scotland) Act 2005*, a number of respondents raised several of concerns. For example, that many policies seem to be introduced to attempt to mitigate the effects of a problem that is primarily an issue in some town and city centre locations. We must remember the large number of businesses in small town and rural Scotland that offer a service to their local community and in many cases they are the hub of that community. Many of them have already been affected by the new licensing regime, so care must be taken to minimise the impact of any new regulations in this area, as it is broadly the same businesses that will be affected.

### **Minimum Legal Purchase Age**

The FSB in Scotland is not persuaded that it is necessary to give local licensing boards the right to raise the legal alcohol purchase age to 21 in their area. There are a number of practical reasons for this; such as the fact that 18 is currently the recognised legal age for everyone across Scotland to purchase alcoholic 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 would suggest that one positive change could be to have one proof of age scheme which was rolled out across Scotland, rather than the numerous schemes which currently operate.

We would also like to see a greater effort increasing the awareness of retailers to follow best practice in the sphere of alcohol sales to young people. We would support further action to work with retailers in this area, although we feel that this work would be more effective if it were tackled at a local level.

### **Promotional Material**

In our original response to the September 2008 consultation, the FSB accepted that the banning of promotional material would be relatively straightforward in pubs and off-licences. However, we see a significant problem for small niche shops which are so prevalent in many tourism dependent areas of Scotland. Many of these businesses promote famous Scottish brands such as: whisky; real ales; liqueurs and spirits. We would not like to see these important brands damaged or a loss of trade for these important small local businesses.

The FSB would encourage the Scottish Government to consult widely with industry bodies and other representative organisations to ensure that businesses involved in Scotland's tourism industry that are so important to our economy, are not damaged by these proposals.

### **Conclusion**

The FSB understands the importance of this issue and is willing to work with the Scottish Government and our members to find solutions to excessive alcohol consumption in Scotland. However, we remain unconvinced that introducing many of the measures outlined will improve the situation. We

support the Scottish Government's aim of tackling the problems associated with alcohol misuse, but proposals must be practical and affordable for the small business community. The Scottish economy cannot afford the closure of anymore micro and small businesses from our communities.

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