

Tobacco and Primary Medical Services (Scotland) Bill

April 2009

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.

The FSB is delighted to submit a response and express our views to the Health and Sport Committee on the *Tobacco and Primary Medical Services (Scotland) Bill*.

The FSB has members in most sectors of the economy and in particular, many who are small independent retailers who will be affected by the proposals outlined in the Bill. In our response, we will outline our key concerns.

Costs of Display Ban

The FSB is concerned that a ban on the display of tobacco products could potentially cost small business owners a considerable amount of money, as the modification of their business premises would mean incurring significant additional costs.

Coming so soon after the costs associated with the new licensing regulations, we are concerned that the cost to redesign or restructure premises as well as the costs associated with the security aspects could fall disproportionately on small businesses that are least able to absorb the costs. We do not believe that there will be any significant financial support from the tobacco suppliers, as they are unlikely to fund a display which does not market their products.

There is also some concern about potential security issues through staff losing sight of the premises when retrieving tobacco products from beneath the counter, which customers have requested.

A further concern of small independent retailers is that there will be a reduced footfall in their premises. For example, if a shop chose not to sell tobacco due to the increased costs of stocking the product, they would lose out on trade from customers who would regularly have purchased other items when purchasing tobacco.

We also note that in assessing the costs to business, the time lost to the business by understanding and complying with new legislation is not recognised in the financial memorandum. Clearly this will be an additional

burden on this group of businesses and we would seek to draw this to the attention of the committee.

Licensing or Registration

The FSB would like to see existing regulations being enforced properly before introducing a new series of regulations on small business owners.

We cannot see the benefit of a registration scheme as we believe those involved in the black-market selling of tobacco products would not act in accordance with such a scheme. It must be remembered that the black market is a significant factor in the illegal supply of tobacco products to the under 18s.

The FSB understands that in England there is to be a “3 strikes and you’re out” system introduced. The benefit of this system is that there is a minimal cost to the independent retail sector, but it would also ensure that those who continually flout the law would be punished. However, having said that, we do appreciate that the proposed registration scheme is considerably less burdensome than the previously proposed licensing scheme.

Conclusion

The FSB understands the Scottish Government’s objective to reduce youth smoking; but we do not believe that the proposals outlined in the Bill necessarily offer the best way to achieve the objective.

Rigorous enforcement of existing regulations, particularly tackling the black market in tobacco, would be a first step to achieve the aims set out in the Bill.

Our members have told us that a display ban would impose a considerable burden on their businesses and would cost them a considerable amount to implement. As outlined earlier in our submission, coming so soon after the introduction of the new Licensing regime, the Scottish Government’s proposals are targeting the same group twice.

In the current economic climate it is particularly important that the Scottish Government introduces proportionate regulation which does not place an unnecessary burden on small retailers. We are particularly keen to ensure streamlining with proposed changes to licensing since it seems likely that a substantial number of small businesses will be affected by both pieces of legislation. It would therefore be helpful to consider this during discussion of implementation of tobacco proposals to minimise costs and disruption.

We look forward to continuing dialogue as the Bill continues its passage through Parliament.

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