

Professor Russel Griggs OBE
Chair – Regulatory Review Group
c/o RRG Secretariat
Directorate for Business and Better Regulation
The Scottish Government
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Glasgow, G2 8LU

Minister for Drugs and Alcohol Policy
cc/ Cabinet Secretary for NHS Recovery, Health and Social Care
cc/ Cabinet Secretary for Wellbeing Economy, Fair Work and Energy
cc/ Minister for Small Business, Innovation, Tourism and Trade

16 January 2024

Dear Ms Whitham,

I am writing as Chair of the Regulatory Review Group (RRG) to provide independent advice on the future implementation of Alcohol Minimum Unit Pricing (MUP) legislation ahead of a Ministerial decision on its continuation and pricing level.

This note provides an overview of the RRG's role and details recommendations on: implementation timescales, the Business and Regulatory Impact Assessment (BRIA), and the approach to monitoring business and consumer awareness.

Regulatory Review Group (RRG)

The independent RRG was re-established by the Scottish Government as part of the New Deal for Business to support Scottish Ministers in improving the regulatory environment for businesses and their involvement in that process. The RRG's membership is detailed in the Annex. The RRG considered upcoming regulatory developments and as part of its work programme identified the continuation of MUP as a scrutiny priority.

The RRG's objectives are to:

1. Work constructively with the Scottish Government to ensure that policy officials and relevant Ministers are sighted on implementation challenges with regulations early in development.
2. Deliver purposeful and targeted written and verbal advice to the Scottish Government, drawing upon extensive expert insight from business and regulators across Scotland.
3. Support the delivery of the New Deal for Business by ensuring that the potential barriers to the success of Scottish Government policies are removed through an improved understanding of the practicalities of implementation.

The RRG's remit is to examine and identify implementation challenges and appropriate mitigations of regulation. The RRG does not provide a view on the appropriateness of substantive policy or decisions to be taken on legislative priorities.

Alcohol Minimum Unit Pricing (MUP)

Along with RRG colleagues, I met with your officials on Wednesday 10 January 2024. Officials provided an insightful presentation on the policy issue and comprehensive responses to our questions, which has enabled us to arrive at this targeted advice dependent on which decision you reach.

The following recommendations have been made by the RRG for Ministers to consider based on the decision taken:

1. *If MUP is to be continued with an increase in price per unit (ppu)* a six month implementation timescale with an enforcement date of 30 September 2024 should be set. A decision to increase the ppu would bring more upmarket retailers and specialist shops who were previously unaffected by the original MUP legislation into scope. Time will be required for those operators who need to establish new systems, adjust product listings and alter pricing where they trade elsewhere across the UK market.

Members observed that MUP's initial implementation in 2018 had a short lead in time, which should be avoided to prevent supply chain disruption and additional burden for business operations. Implementation by 30 September 2024 ensures that it does not interfere with peak trading for retailers which takes place between October and December each year.

2. *If the decision is to end MUP* a similar temporary extension would also be required to ensure that the supply chain is able to prepare and adapt in an orderly way.
3. *If the decision is to continue with MUP but with no increase* Members agreed that no action would be required as it would be business as usual.

Following the decision above, the RRG recommends that:

4. *A Business and Regulatory Impact Assessment (BRIA) be finalised and published by the end of February 2024*, addressing identified gaps highlighted during the engagement. Specific items that members would like to see addressed includes further engagement and assessment of MUP regulation upon small businesses, in terms of the impact on sales, jobs and implementation timescales and costs. The BRIA should also be expanded to provide further detail on enforcement considerations. Local Authorities already have stretched resource and while they do not foresee a proactive enforcement ask from Scottish Ministers, it is critical that engagement takes place once a decision is taken and impacts and mitigations are set out in the BRIA for consistency.
5. *A Communications Programme be developed to confirm that business stakeholders and consumers are aware of the policy change*. Members highlighted that any decision to increase the price will bring new retailers into scope and affect a broader range of producers and consumers in the marketplace. The Scottish Government should ensure that indicators for monitoring awareness are developed with stakeholders and reported publicly.

A copy of this letter will be published on the RRG's webpage and has been sent to your Ministerial colleagues with an interest in this area.

The RRG would be happy to discuss the above recommendations with you and provide officials with any further advice as they work to implement this policy.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Russel Griggs', written over a horizontal line.

PROF RUSSEL GRIGGS OBE
Chair, Regulatory Review Group

ANNEX

Membership of RRG

- Chairman – Professor Russel Griggs OBE
- Fiona Richardson – Convention of Scottish Local Authorities (CoSLA)
- James Fowlie – Convention of Scottish Local Authorities (CoSLA)
- Brian Lawrie – Environmental Health
- David MacKenzie – Trading Standards
- Ewan Macdonald-Russell – Scottish Retail Consortium (SRC)
- Susan Love – Association of Chartered Certified Accountants (ACCA)
- Douglas White – Consumer Scotland

Members are representatives of business, regulators and consumers, however, are acting independently in their RRG involvement.