

Title: Weights and Measures (Specified Quantities) (Unwrapped Bread and Intoxicating Liquor) Order Lead department or agency: NMO/BIS Other departments or agencies:	Impact Assessment (IA)
	IA No: BIS0135
	Date: 10/12/2010
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
	Contact for enquiries: Lynnette Falk

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

Information on quantity is required for consumers to be able to compare products where sizes may not be distinguishable. Government intervention is necessary to ensure that this information is provided. This therefore addresses an information asymmetry. Consultation has identified support from business and the public/consumers to retain specified quantities for alcoholic drinks; but also demand from businesses for some changes to specified quantities to give greater flexibility to manufacturers, retailers and consumers in specific areas such as introducing additional sizes or deregulating very small sizes. For unwrapped bread a regulatory failure has been identified that unnecessarily restricts the market, preventing innovation, and the introduction of new types and sizes of loaves.

What are the policy objectives and the intended effects?

The policy objectives are to ensure that consumers continue to have sufficient information on quantity to provide clarity over the quantity being purchased, to be able to make value for money judgements, and to prevent decreases in quantity not easily noticeable to the consumer and (for alcoholic drinks) to keep track of their alcoholic intake. At the same time to provide greater flexibility over the sizes available to consumers and to allow greater opportunity for business to innovate and create new products to meet the demands of their customers.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

Option 1: Do Nothing. This would maintain the status quo and retain existing specified quantities for alcoholic drinks and unwrapped bread. **Option 2: Deregulate all specified quantities.** **Package of Options 3, 4 & 5:** Maintain specified quantities for non-prepackaged alcoholic drinks but allow greater flexibility, such as introducing 2/3 pint measure for draught beer and cider, deregulating samples of wine, and bring the sizes for fortified wines into line with trade practice. **Package of Options 6 & 7:** Deregulate specified quantities for unwrapped bread to bring them into line with pre-packaged bread and require quantity information to be given for new sizes. **Option 8:** Extend regulation to spirits other than gin, rum, vodka and whisky.

The preferred policy being taken forward is a package of Options 3-7. This will continue to protect consumers and allow them to easily keep track of their alcoholic intake, but respond to demands for greater flexibility in specific areas, and has widespread support from business and consumers. It will also allow for innovation in the unwrapped bread market without imposing any new burdens on businesses who do not want to change their existing practices.

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will be reviewed 04/2015
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister: David Willetts Date: 31/5/2011

Summary: Analysis and Evidence

Policy Options 3-7

Description: To take forward the preferred package of options - Options 3-7

Price Base Year 2010	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0-

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0		0	0

Description and scale of key monetised costs by 'main affected groups'
The implementing legislation either reflects current trade practice or is deregulatory and the costs arising will be zero. Enforcement costs are expected to be zero as they will be absorbed into trading standards' existing enforcement activities.

Other key non-monetised costs by 'main affected groups'
Businesses in the baking sector would incur costs arising from the requirement to label new sizes of unwrapped bread only where they make a commercial decision to introduce sizes other than the traditional 400g or 800 g loaves. Current regulation prevents any new sizes from being used which restricts business flexibility. Similarly it will be a commercial decision whether to introduce 2/3 pint for draught beer or cider.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0		0-positive	0-positive

Description and scale of key monetised benefits by 'main affected groups'
By providing a greater choice to consumers we anticipate a demand for these new products, however, without the knowledge of how consumers will react and if they will substitute away from other products, it is not possible to provide a quantifiable estimate. Industry will be surveyed for the extent of any benefits, in the Post Implementation Review Stage Impact Assessment.

Other key non-monetised benefits by 'main affected groups'
The proposal will maintain protection for consumers of alcoholic drinks and unwrapped bread whilst allowing consumers a greater choice of sizes.
The amendments to specified quantities for alcoholic drinks to only increase the number of glass sizes in a limited way will allow drinkers to continue to easily keep track of their alcoholic intake by maintaining standard sizes and preventing a confusing array of different sizes.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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Impact on admin burden (AB) (£m):

Impact on policy cost savings (£m):

In scope

New AB: £0m	AB savings: £0m	Net:£0m	Policy cost savings:	Yes
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Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?			01/10/2011		
Which organisation(s) will enforce the policy?			Trading Standards		
What is the annual change in enforcement cost (£m)?			zero		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: n/a		Non-traded: n/a
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: n/a		Benefits: n/a
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro 0	< 20 0	Small 0	Medium 0	Large 0
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties ¹ Statutory Equality Duties Impact Test guidance	No	10
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	10
Small firms Small Firms Impact Test guidance	No	11
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	11
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	11
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	11
Human rights Human Rights Impact Test guidance	No	11
Justice system Justice Impact Test guidance	No	11
Rural proofing Rural Proofing Impact Test guidance	No	11
Sustainable development Sustainable Development Impact Test guidance	No	11

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	<u>Consultation on Weights and Measures (Specified Quantities) 2008/09</u>
2	Government Response to the Consultation on Specified Quantities September 2009
3	Weights and Measures (Intoxicating Liquor) Order 1988
4	Weights and Measures (Miscellaneous Foods) Order 1988

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	0	0	0	0	0	0	0	0	0	0
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0	0	0	0	0	0	0	0	0	0
Transition benefits	0	0	0	0	0	0	0	0	0	0
Annual recurring benefits	0	0	0	0	0	0	0	0	0	0
Total annual benefits	0	0	0	0	0	0	0	0	0	0

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

Introduction

This Impact Assessment accompanies proposals to amend weights and measures legislation governing specified quantities for non-pre-packaged intoxicating liquor and unwrapped bread.

What is the Problem?

Consumers require information on quantity in order to make price and value judgments on products and sizes which might otherwise be indistinguishable. Government intervention is necessary to ensure that this information is provided by business. This therefore addresses an information asymmetry between consumers and sellers.

Weights and measures law already requires that certain alcoholic drinks sold on licensed premises and unwrapped bread sold by retail, be sold only in specified quantities (i.e. fixed sizes). The main purpose of specified quantities was traditionally to address this information asymmetry by providing clarity to consumers over the quantity being purchased and to prevent decreases in quantity not easily noticeable to the consumer. In the case of alcoholic drinks, however, there are also public health and social benefits associated with the use of specified quantities as they help drinkers to keep track of their alcoholic intake.

Specified quantities for pre-packaged goods, except pre-packaged wines and spirits for which there are mandatory specified quantities at European level, were deregulated in April 2009 in line with Directive 2007/45/EC. There are no European rules on specified quantities for non pre-packaged goods. Therefore the measure does not gold plate by going over and above minimum EU requirements. UK legislation requires certain non pre-packed alcoholic drinks served on licensed premises – beer, cider, whisky, rum, vodka, gin and wine – and unwrapped bread, to be sold only in fixed sizes. The National Measurement Office reviewed the operation of the UK legislation in a public consultation in 2008/2009 to see whether specified quantities were still necessary in practice, and, if so, whether the quantities specified remained appropriate.

The main purpose of requiring unwrapped bread and alcoholic drinks to be sold only in specified quantities is to ensure that consumers have clarity over the standard sizes that are offered and can easily compare prices and make value for money judgments between different retailers or licensed premises and between different products or brands. The large interval between sizes ensures that consumers can easily tell whether they are receiving a small or large loaf or for example, a single or double spirit and this helps to protect consumers against short measure. In addition having a limited range of standard sizes available for alcoholic drinks makes it easier for drinkers to keep track of their alcoholic intake. Alcoholic drinks were recognised as a special case by the European Union and they are the only pre-packaged products for which specified quantities have not been deregulated at European level in recognition of the additional health and social benefits derived from regulating their sizes.

The results of the NMO consultation were published in September 2009. There was almost universal support, subject to minor adjustments, for the retention of specified quantities for alcoholic drinks from business, consumers, trading standards and the health lobby. It was recognised that full deregulation would not address the problem of asymmetrical information and could lead to consumer detriment if a confusing range of new sizes were introduced which reduced consumers' ability to compare prices and to keep track of their alcoholic intake. However, the consultation identified demand from some businesses for specific changes to specified quantities for alcoholic drinks to give them greater flexibility by introducing additional sizes or deregulating very small sizes.

In particular there was strong support for the deregulation of very small glasses of wine, i.e. those below 75 ml. The problem identified is that the existing regulation prevents the sale of samples or tasters of wine because the smallest quantity in which wine can be sold is 125 ml. Samples may currently be provided free of charge but may not be sold.

There was also support from some businesses for the introduction of 2/3 pint. At present draught beer and cider may only be sold in 1/3 pint, ½ pint or a multiple of ½ pint. Some businesses would like greater flexibility to offer a size between ½ pint and 1 pint which would give consumers more choice.

There is currently confusion over the application of the law to fortified wine. The law requires fortified wine to be served in 125 ml or 175 ml (or a multiple) sizes (the same as still wine) but this is not well understood by either Trading Standards or business. This requirement does not reflect consumer expectations of serving size or the typically higher strength of fortified wines compared to still wines. Trade practice has developed to serve fortified wine in 50 ml or 70 ml servings. Responses to the Consultation supported bringing the specified quantities for fortified wines into line with trade practice.

In the case of unwrapped bread there is potential regulatory failure whereby the existing legislation unnecessarily restricts the market, preventing innovation, and the introduction of new types and sizes of loaves. This affects the market for artisan loaves which may have different densities to traditional loaves and which do not fit easily into the traditional sizes. A majority of respondents to the consultation supported the deregulation of fixed sizes for unwrapped bread, although many with a caveat that universal quantity labelling should be introduced for unwrapped loaves to ensure that consumers had sufficient information on quantity.

Policy Objective

The main policy objective is to provide greater freedom to retailers and greater choice to consumers over the quantities available for the sale of alcoholic drinks and unwrapped bread, while ensuring that consumers still receive sufficient information on quantity to be able to make informed purchasing decisions, keep track of their alcoholic intake and be protected against indiscernible reductions in quantity.

As a result, the Government's preferred policy option is to amend the existing legislation on specified quantities by:

- Introducing 2/3 pint for the sale of draught beer and cider to give greater choice to licensed retailers and consumers
- Deregulating glasses of wine below 75ml from the requirement to use specified quantities or be sold by reference to quantity to allow sales of samples and tasters;
- Replacing the existing specified quantities for fortified wines with smaller sizes of 50ml and 70ml (or a multiple of either), to ensure consistency and to bring the law into line with current trade practice;
- Deregulating specified quantities for unwrapped bread and introducing a requirement to label any sizes that are not standard 400g / 800g loaves with net weight to give freedom to produce unwrapped loaves in any size, but to ensure consumers still receive sufficient information.

Options Considered

- Option 1 – Do nothing;
- Option 2– Deregulate all specified quantities for alcoholic drinks;
- Option 3 – Introduce a new quantity of 2/3 pint for draught beer and cider;
- Option 4 – Exempt wine (other than fortified wine) served in quantities below 75 ml from specified quantities or the requirement to sell by quantity;
- Option 5 – Change the specified quantities that apply to fortified wines from 125 ml and 175 ml (or a multiple) to 50 or 70 ml (or a multiple)
- Option 6 – Deregulate specified quantities for unwrapped bread;
- Option 7 – Require quantity information to be given for new sizes of unwrapped bread;
- Option 8 - Extend regulation to spirits other than gin, rum, vodka and whisky sold on licensed premises;

Costs and Benefits of each option

Option 1 – Do Nothing

If no changes to the law were made then consumers could not benefit from the potential increased choice in quantities of unwrapped bread and alcoholic drinks. The opportunity for businesses to innovate in selling new sizes and products (e.g. wine samples) would be lost.

Continuing to regulate non- pre-packaged bread, when the market for pre-packaged bread has already been deregulated, could make it more difficult for consumers to make comparisons between pre-packaged and unwrapped bread. It could also disadvantage bakers of unwrapped bread who are prohibited from producing equivalent sizes.

Option 2 – Deregulate specified quantities for alcoholic drinks sold on licensed premises

There are unlikely to be any significant savings for business from full deregulation. There would be greater opportunities for business to innovate and sell alcoholic drinks in any size and there may be some benefits for consumers in the form of a greater choice of sizes. However, full deregulation would not address the problem of asymmetrical information and could lead to consumer detriment if a confusing range of new sizes were to be introduced which reduced consumers' ability to compare prices and to keep track of their alcoholic intake. There was very little support in last year's consultation for full scale deregulation of specified quantities, with support coming mainly from the pro-metric lobby, in anticipation that this would allow for the sale of metric servings of draught beer and cider. However, there was significant support for the continued use of specified quantities from consumer groups such as CAMRA, Trading Standards Departments, health agencies and charities including Alcohol Concern and Alcohol Focus Scotland, and business representatives including the Wine and Spirits Trade Association. Full deregulation is unlikely to be consistent with the Government's policy of encouraging more socially responsible retailing and consumption of alcohol or the aim of making healthy choices easier as it would make it harder for consumers to keep track of their intake and is likely to increase confusion over the quantities and units on offer.

Option 3 – Introduce a new quantity of 2/3 pint for draught beer and cider

This proposal has support from the British Beer and Pub Association and from some businesses who would like the additional flexibility to offer beer in 2/3 pint. It is also supported by health agencies and charities including Alcohol Focus Scotland and Alcohol Concern who consider it to be an additional smaller size and an extra option for stronger beers. This option has the advantage of introducing some flexibility in the range of permitted sizes thereby giving consumers more choice, without allowing the introduction of a confusing range of new and different sizes in different premises. Some respondents supported the introduction of 2/3 pint as they considered that drinkers may scale down to 2/3 pint from a full pint, as 2/3 pint may be more socially acceptable than ½ pint. This could result in lower levels of alcohol consumption with associated health benefits. Conversely some drinkers may trade up to 2/3 pint from ½ pint with the opposite effect. The direction of the overall effect is unknown. Additionally, it is unknown if drinkers will substitute away from other drinks (soft or alcoholic) and therefore, the size of the overall effect is unknown.

We know from discussions with industry that at least two major brewers have expressed interest in the introduction of 2/3 pint and have plans to introduce the size should it become legal. The Government aims to deregulate this market to allow business to function and provide greater consumer choice.

Illustrative Example

The market for on-trade beer is in the region of 300 million pints per month (source: UK Quarterly Beer Barometer). The average cost of 1 pint of lager is now in the region of £3 (source: The Publican Market Report 2010). Were the adoption of 2/3 pint to account for just 1% of the on-trade market for beer (and assuming that it would cost £2) this would represent an economic benefit of (36mn pints per year at £2) £ 72million. However, much of any increase could be accounted for by consumers switching from other sizes (from ½ pint or 1 pint) rather than from other products (from wine to beer for example). Therefore we have based our benefit estimates on an increase of 0.1 % of the market, representing £7 million of economic benefit per annum.

Note: This example is purely illustrative as it does not address the issue of substitution between alternative products and is based on an illustrative increase in additional demand.

Option 4 – Exempt wine (other than fortified wine) served in quantities below 75 ml from specified quantities or the requirement to sell by quantity:

This proposal has strong support from business and consumers and would remove a restriction on the market for wine which currently prevents glasses of wine below 125 ml (such as samples or tasters) from being sold. Removal of this restriction would provide benefits to business in the form of an opportunity to innovate and to sell new products. Through the consultation several businesses stated that they would like to enter the market for wine samples and that they would be able to expand their existing business as a result. It is unknown what the potential demand would be for this product, however there will be no new costs to business as there will be no requirement to sell samples or to change existing practises for those who do not want to do so, but deregulation will enable greater consumer choice and businesses to practice in a market which has until now been restricted.

Option 5 - – Change the specified quantities that apply to fortified wines from 125 ml and 175 ml (or a multiple) to 50 or 70 ml (or a multiple)

This option addresses a complication in the Weights and Measures (Intoxicating Liquor) Order whereby the requirements relating to wine also include fortified wine. This means that fortified wines can only be sold in quantities of 125 ml or 175 ml (or a multiple). This provision is widely misunderstood by both the licensed trade and Trading Standards who have until now believed that these specified quantities applied only to still wines. The proposal is to exempt fortified wines from the definition of wine and to provide specified quantities of 50 or 70 ml (or a multiple). There would be no costs to business as these sizes reflect common trade practice. This option would also remove any potential costs to business that could arise from having to change existing trade practice should the existing specified quantities remain and be more rigorously enforced. This option has the support of the Wine and Spirits Trade Association.

Option 6 – Remove specified quantities for unwrapped bread:

This option would deregulate specified quantities for unwrapped bread to allow for the sale of loaves in quantities other than 400 g or a multiple of 400 g. This may produce benefits to business as they would be able to innovate in introducing new products and new sizes to meet demand from consumers. A similar deregulation of specified quantities for pre-packaged loaves took place in April 2009 and major manufacturers have already taken advantage of the deregulation to introduce new sizes such as 600 g loaves.

The UK bread sector is worth approximately £3 billion per year, of which around 5% (£150 million) comes from sales by master bakers, predominantly of unwrapped loaves. There is no evidence from the consultation to suggest that there is a great demand for deregulation of specified quantities from independent bakers. The National Association of Master Bakers (NAMB) opposes deregulation as they see specified quantities as an alternative to quantity labelling of loaves. However, there is anecdotal evidence that artisan bakers are, in some cases, already producing loaves in non regulated sizes, demonstrating that there exists a demand for additional sizes in some parts of the industry. However, given the uncertainty over the uptake of new sizes we cannot accurately estimate the benefits that might accrue. In addition we are aware of interest from at least two major UK supermarket chains in selling unwrapped loaves in a 600 g size.

There would be no costs to business imposed by this legislation as there would be no requirement to introduce any new sizes unless business decided that it was beneficial to produce different sized loaves.

One of the concerns raised in the consultation, particularly by Trading Standards Departments, was that the removal of specified quantities for unwrapped bread would leave the consumer with no information at all on quantity, as there is no requirement to label unwrapped loaves. Therefore, many Trading Standards Departments favoured the introduction of universal labelling for unwrapped bread to ensure that consumers have information on quantity and can compare prices and value. However, the NAMB have identified universal labelling of unwrapped bread as a significant new cost to their members, many of whom are small businesses. Therefore, in adopting Option 6, the Government has considered Option 7, as an alternative to universal quantity labelling to ensure consumers have information on quantity for any new sizes of loaf.

Option 7 – Require quantity information to be given for new sizes of unwrapped bread:

This option would require that quantity information be provided to consumers where non traditional sizes of bread (i.e. not 400 g or 800 g) were introduced. The difference in appearance between a 800 g loaf and a 700 g loaf for example, may not be easily discernible to the average consumer. The removal of specified quantities could lead to a situation where loaves sizes were being reduced without the consumer being aware of the reduction. This option would address that concern and ensure that consumers were aware that loaves were being sold in a new size and could therefore continue to make value comparisons between sizes and retailers. Benefits would be improved information for consumers and an efficient marketplace where consumers were able to make informed decisions. Any costs to bakers or retailers of providing information on quantity would only apply where businesses had taken a decision to introduce new sizes for commercial reasons. There would be no costs to any retailers or bakers who chose to continue with their existing sizes.

Option 8 - Extend regulation to spirits other than gin, rum, vodka and whisky sold on licensed premises:

This option would extend specified quantities to spirits other than those currently regulated (i.e. gin, rum, vodka and whisky) to include, for example, brandy. The costs to business would be negligible as in practice most spirits which are not regulated are sold in the same quantities as those which are. This practice has developed because it is easier for business to use the same measuring equipment (e.g. thimbles or optics) for regulated and unregulated spirits. However, the benefits may also be slight as without regulation, most licensed premises already sell unregulated spirits in 25 or 35 ml quantities as they are required to use those sizes for gin, rum, vodka and whisky.

Risks and Assumptions

The assessment assumes that if new sizes such as 2/3 pint for beer and cider or samples of wine are permitted, they will be adopted by the licensed trade. If the new sizes are not adopted then there would be no increase in consumer choice. However, it is likely that if there is consumer demand then the industry would act to meet that demand and NMO is already aware of demand from some businesses to sell samples of wine and 2/3 pint of beer.

There is a risk that the introduction of 2/3 pint could lead to an increase in alcohol consumption, if drinkers only switched from half pints to two-third pints. However, any increase is likely to be small as we do not anticipate universal adoption of the 2/3 pint size and any increase is likely to be mitigated by drinkers switching from 1 pint to 2/3 pint. It is also possible that attractive presentation of 2/3 pint could make beer more attractive to certain groups (e.g. women) and could lead to consumers switching from stronger products such as wine or spirit drinks which could reduce alcohol consumption and mitigate against any potential overall increase.

Summary and Preferred options

The preferred options are :

- Option 3 – Introduce a new quantity of 2/3 pint for draught beer and cider;
- Option 4 – Exempt wine (other than fortified wine) served in quantities below 75 ml from specified quantities or the requirement to sell by quantity;
- Option 5 – Change the specified quantities that apply to fortified wines from 125 ml and 175 ml (or a multiple) to 50 or 70 ml (or a multiple)
- Option 6 – Deregulate specified quantities for unwrapped bread;
- Option 7 – Require quantity information to be given for new sizes of unwrapped bread;

This package of measures has been informed by a broad consensus of consultation responses. The package will introduce greater freedom into the markets for alcoholic drinks served on licensed premises and unwrapped bread. The wholesale deregulation offered by Option 2 would have the potential to increase levels of consumer detriment as consumer protection levels would fall and at the same time be likely to be out of step with Government policy on alcohol consumption as consumers could not easily keep track of their alcoholic intake. Maintaining the status quo by means of Option 1 would neither afford consumers a wider choice of products nor would it open up the market to business innovation.

It is proposed to introduce this package of measures by making changes to the Weights and Measures (Miscellaneous Foods) Order 1988 and the Weights and Measures (Intoxicating Liquor) Order 1988 using powers to make secondary legislation under the Weights and Measures Act 1985. Subject to Ministerial and Parliamentary approval, implementation would take place on the next available Common Commencement Date.

The legislation will be monitored to ensure it is operating effectively. It will be discussed at the bi-annual meetings between the Department, the metrological representatives of the Local Government Regulation (formerly LACORS) and the Trading Standards Institute on the working of the Act and its subordinate legislation.

How do these address the principle of regulation as the last resort?

The proposed measures remove some of the restrictions placed on markets by existing Government regulation. The measures are therefore deregulatory in nature and reflect business demands for opportunities in new markets. No new regulatory burden is being imposed on business which stands to gain from the freedom to innovate.

Alternatives to Regulation

The restrictions that exist in the market are a result of Government legislation. Therefore, amendments to this regulation are the only viable ways of achieving the objectives. There is no other route, including voluntary means such as a code of practice which would achieve the aim of freeing up the market, while maintaining levels of consumer protection and ensuring a level playing field for business.

One In, One Out

Under the One In, One Out rule, measures that have a net cost to business have to identify a measure of equivalent cost to be removed to simplified. These amendments impose no cost on business.

Monitoring, Enforcement and Implementation

Effective monitoring of the operation of the regulations will depend on close and regular liaison with those organisations representing the enforcement community, that is, Local Government Regulation and TSI. Trading standards departments are responsible for the enforcement of the regulations and it is estimated that they will incur no additional costs as a result of doing so.

A post implementation review will be undertaken in 2015 to measure the effectiveness of the measures and the extent to which the costs and benefits have been realised.

Statutory Equality Duties Impact Tests

Initial screening shows there to be no impact upon any of the specific equality impact tests, including race, gender or disability equality nor upon the Convention Rights of any person or class of persons.

Small Firms Impact Test

There are some 166,000 licensed premises in the UK, of which around 90,000 are licensed to sell alcohol on the premises. Transitional costs to businesses of introducing new sizes will depend partly on the extent to which the market demands change in order to meet customer need. Because of the relative size of their operations, small firms are liable to be more vulnerable to changes in market conditions. Any costs associated with offering two third pint measures or a wider range of sizes of unwrapped bread would be voluntarily incurred by licensees and the baking sector respectively since there is no legal compulsion to do so. In any case, they should be transitional only and therefore not impact disproportionately on smaller businesses.

Competition Assessment

We would expect the proposals to have a positive impact on competition between businesses. There are several reasons for this: (a) there is no disproportionate effect on any part of the market so there

should be no resultant distortion of competition; (b) deregulation of unwrapped bread brings it in line with pre-packed bread thus removing any potential competitive disadvantage between the markets for each; (c) the market may be further stimulated by the entry into the market of new enterprises wishing to innovate in particular in the bread or wine sample sector unfettered by specified quantities. The same argument applies to the licensed trade as regards the sale of two thirds pints of beer.

Rural Proofing

No aspect of the proposed Regulations has been identified as having an impact upon rural communities or areas.

Greenhouse Gasses and Wider Environmental Impact

No impact has been identified on carbon emissions or on wider environmental issues.

Justice Impact Test

The policy is unlikely to increase the volume of cases going through the courts. Weights and measures controls will continue to be enforced by trading standards officers who are located in some two hundred local authorities across Britain. Enforcement will remain as at present, that is, by means of a combination of risk-based checks on alcoholic drinks offered for retail sale and by reactive policing of the market. Sanctions for failing to comply with the duties under Part IV of the Weights and Measures Act 1985 will remain the same.

Health and Well Being Impact Test

The proposals will have an impact on alcohol as a lifestyle related variable, as it is intended to make it easy for drinkers to continue to keep track of their alcoholic intake. However, it will not have an impact upon any health or social care services or a significant impact on human health by virtue of its effect on any of the wider determinants listed by the Department of Health. Therefore a full health impact assessment is not required.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: Commitment in the impact assessment to review the effectiveness of the measure four years after implementation.
Review objective: To ensure that the legislation is working effectively to deliver the required outcome. To determine whether the benefits have been realised.
Review approach and rationale: To seek views of major stakeholders including business and trading standards. To monitor changes to the marketplace.
Baseline: The effectiveness of the legislation is measured against the do nothing option (i.e. retaining the existing specified quantities for alcoholic drinks and unwrapped bread) as a baseline, where there is zero legal sales of 2/3 rd pint, samples of wine, or sizes of unwrapped bread other than 400g and 800g.
Success criteria: The success of the measure will be whether the 2/3 rd pint, samples of wine, and alternative sizes of bread have been adopted and are used.
Monitoring information arrangements: Regular meetings with LGR, TSI and business to monitor effectiveness of legislation. Overall review by surveying stakeholders four years after implementation. Continuous monitoring of trade press on the market for sales of new sizes of beer and wine.
Reasons for not planning a PIR: N/A

Add annexes here.