Minimum Unit Pricing of Alcohol

Consultation Document
The Scottish Parliament passed legislation in 2012 which allows the Scottish Ministers to introduce a system of Minimum Unit Pricing for alcohol. The legislation was then challenged in court and that delayed the implementation of this important policy. On 15 November 2017, the UK Supreme Court confirmed that the legislation which allows Minimum Unit Pricing to be introduced is lawful.

The Scottish Government plans to introduce Minimum Unit Pricing for alcohol on 1 May 2018. Before they introduce the Minimum Unit Price, the Scottish Ministers are having a public consultation to gather views from people, businesses, public bodies and interested parties about the Scottish Government’s preferred price of 50 pence per unit of alcohol. The consultation is not about the principle of Minimum Unit Pricing. The principle was the subject of consultation in 2008 prior to the introduction of the legislation in 2012.

Taking into account a range of factors, the Scottish Government considers a 50 pence per unit minimum price provides a proportionate response to tackling alcohol misuse as it strikes a reasonable balance between public health and social benefits and intervention in the market.

This paper provides some background for people who wish to take part in the consultation.

WHAT is Minimum Unit Pricing?

Minimum Unit Pricing will set a price below which alcohol cannot be sold – it will not increase the price of all alcoholic drinks. The Scottish Government’s preferred Minimum Unit Price is 50 pence per unit of alcohol. In the UK, a unit is 10 millilitres of pure alcohol. This price will have most impact on cheap, strong drink.

Alcoholic drinks in pubs, bars, nightclubs and restaurants are not likely to be affected as their prices will already be above the preferred Minimum Unit Price of 50 pence. The cheaper, stronger alcohol that will be affected is mainly sold in supermarkets and shops.

The price of drinks whose price is less than 50 pence per unit at the moment will have to rise when this rule is introduced. The table below gives some examples of the lowest possible price that alcohol could be sold for when a Minimum Unit Price of 50 pence comes into effect.
Improving Scotland’s Health

Minimum Unit Pricing of Alcohol

<table>
<thead>
<tr>
<th>Product type</th>
<th>Strength: Alcohol by Volume (ABV)</th>
<th>Volume (millilitres)</th>
<th>Minimum price i.e. cannot be sold for less than this price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotch whisky</td>
<td>40%</td>
<td>700ml bottle</td>
<td>£14.00</td>
</tr>
<tr>
<td>Vodka/Gin</td>
<td>37.5%</td>
<td>700ml bottle</td>
<td>£13.13</td>
</tr>
<tr>
<td>Vodka/Gin</td>
<td>37.5%</td>
<td>1000ml bottle</td>
<td>£18.75</td>
</tr>
<tr>
<td>Wine</td>
<td>12%</td>
<td>750ml bottle</td>
<td>£4.50</td>
</tr>
<tr>
<td>Wine</td>
<td>13%</td>
<td>750ml bottle</td>
<td>£4.88</td>
</tr>
<tr>
<td>Beer</td>
<td>5%</td>
<td>4 x 440ml cans</td>
<td>£4.40</td>
</tr>
<tr>
<td>Beer</td>
<td>4%</td>
<td>330ml bottle</td>
<td>£0.66</td>
</tr>
<tr>
<td>Cider</td>
<td>5%</td>
<td>2000ml bottle</td>
<td>£5.00</td>
</tr>
<tr>
<td>Cider</td>
<td>7.5%</td>
<td>3000ml bottle</td>
<td>£11.25</td>
</tr>
</tbody>
</table>

If an alcoholic drink is already selling at a price which is higher than its minimum price, there will be no need for that price to change. The minimum price for a 700ml bottle of whisky with an ABV of 40% will be £14.00. For example, if the price of a bottle of whisky is already £15 then the price won’t have to change after the new rule is introduced.

**WHO will be affected?**

Anyone drinking cheap, strong alcohol will be most affected. The drinker that drinks moderately within the low risk drinking guidelines of 14 units a week will see very little difference, if any, in the cost of what alcoholic drinks they buy.

Those most affected will be drinkers that are drinking more than 14 units a week. Some people drink much more than 14 units a week. In 2016, Scots bought enough alcohol for everyone aged over 16 to drink 20 units every week (10.5 litres of pure alcohol in a year). This means Scots are drinking over 40% more than the low-risk drinking guidelines. There is lots of evidence to show that the more we drink, the greater the harm we suffer. This is why we need to introduce a measure that will target the cheap, strong alcohol that heavier drinkers tend to drink.

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1 ABV is how the strength of an alcoholic drink is measured: the number stated as a % indicates the proportion of the alcoholic drink that is pure alcohol (ethanol)

WHY are the Scottish Government introducing this?

The whole of Scotland is affected by harm that results from alcohol. Drinking too much alcohol causes illness, or even early death, affecting both the drinker and their family. Other harms related to drinking can include someone committing, or being a victim of, a crime; or a child being neglected or distressed because of drinking in the family; or work colleagues having to take on more work due to someone being absent.

Every year in Scotland people die from illnesses that can only be caused by drinking alcohol. In 2016, that was an average of 24 people dying every week.

Within the UK, Scotland has the highest rate of alcohol-related deaths\(^3\). In 2015 alcohol-related death rates in Scotland were 67% higher in men and 50% higher in women compared with England & Wales\(^4\). Although the Scottish rates are better than they were in the early 2000s, last year they were still 26% higher than in 1981.

In 2016/17 there were more than 36,200 admissions to an acute hospital due to an alcohol-related illness. That’s nearly 700 hospital admissions every week. The number in hospital rose in the 1990s and 2000s, and was at its worst in 2007/08. We have seen an improvement since then, however; the current rate of admissions is still over four times higher than in 1981/82\(^5\).

Alcohol consumption is one of the three most common causes of Chronic Liver Disease (CLD)\(^6\). In 2012, Scotland, had the highest CLD death rates among European countries, along with Hungary and Finland.

Although everyone is affected, the amount of alcohol related illness and death is not the same across the Scottish population. Alcohol causes more death and illness in men than in women. For CLD, rates of both illness and death are almost twice as high for men as for women\(^7\). The most harm is suffered by those living in the most deprived communities. In 2016/17, alcohol-related hospital admission rates for people living in the most deprived communities were nine times higher than those in the least deprived\(^8\). Death rates from alcohol are six times higher in the most deprived areas compared with the least\(^9\).

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3 ONS (2017) Alcohol-related deaths in the UK: registered in 2015
5 equivalent to an age-standardised rate of 685.2 inpatient stays per 100,000 population
6 The others are blood borne viruses (e.g. hepatitis B or C) and obesity
8 Most and least deprived 10% as measured by the Scottish Index of Multiple Deprivation, SIMD
We know that many of the prisoners and young offenders currently serving custodial sentences say that they were under the influence of alcohol when they committed their crimes\textsuperscript{10}. It is encouraging to see that fewer teenagers are drinking alcohol. However, when they do, they are at risk of harm. More than a third of 15 year olds (36\%) who drank said that they had done something that they later regretted after drinking alcohol – 16\% reported getting into trouble with the police, and 17\% said they had tried drugs as a consequence of drinking\textsuperscript{11}.

Drinking a lot can put stress on relationships, contribute to marriage breakdown and make it difficult for parents to look after their children properly. Communities may suffer from antisocial behaviour fuelled by too much alcohol being consumed. In 2014, a survey found over half (60\%) of people in Scotland believe alcohol is the drug which causes most problems for Scotland as a whole, compared with 19\% saying heroin\textsuperscript{12}.

This level of harm is linked to the amount of alcohol that we drink in Scotland. When compared with other countries – whether that is with other parts of the UK, with other European countries, or across the world – Scotland drinks very high levels of alcohol.

In 2016, nearly three quarters of all alcohol sold (73\%) was bought from shops and supermarkets, with the vast majority from supermarkets. Scots bought 17\% more alcohol per adult, compared with England and Wales. Most of this difference was down to spirits sales from supermarkets and shops.

One of the main reasons why so much alcohol is sold in supermarkets and shops is because it has become much more affordable than drinking in pubs or clubs. Alcohol is 60\% more affordable than it was in 1980. This is why we need to take action to tackle cheap, strong alcohol.

There is lots of evidence to show that as alcohol becomes more affordable, drinking increases, and as drinking increases so does harm.

In 2016, just over half (51\%) of the alcohol sold in supermarkets and shops was sold at a price below 50 pence per unit. The amount varied with the type of alcohol: 62\% of spirits, 64\% of beer, 71\% of cider and 29\% of wine was sold at under 50 pence per unit in Scotland in 2016\textsuperscript{13}.

\textsuperscript{10} Carnie, J. and Broderick, R. (2016) Prisoner Survey 2015, Scottish Prison Service
\textsuperscript{12} Sharp C, Marcinikiewicz A and Rutherford L (2014) Attitudes towards alcohol in Scotland: results from the 2013 Scottish Social Attitudes Survey Health Scotland
Some alcoholic drinks are available very cheaply compared to how strong they are. It is still possible to buy a 3 litre bottle of strong white cider, with an ABV of 7.5%, for £3.59. This works out at 16p per unit – well below the preferred Minimum Unit Price of 50 pence. Under a Minimum Unit Price of 50 pence per unit, this example would cost at least £11.25.

We know that one of the best ways to reduce the amount of cheap alcohol drunk by people in any country is to make it less affordable. Making alcohol less affordable is a key action recommended by the World Health Organization to reduce alcohol-related harm.

**HOW do you work out what the Minimum Unit Price is?**

Minimum Unit Pricing will apply to the price of all alcoholic drinks. Each drink will have a minimum price based on the amount of pure alcohol that it contains. All licensed premises will have to ensure that alcoholic drinks are not sold below their minimum price. The minimum price for an alcoholic drink is calculated as follows:

- price per unit of alcohol (£) x strength of alcoholic drink (ABV) x volume of alcoholic drink (L) x 100\(^{14}\)

For example:

A standard size bottle of spirits with an ABV of 37.5% would have a minimum price of:

- £0.50 x 37.5/100 x 0.7L x 100 = £13.13

Everywhere that sells alcohol to the public – shops, supermarkets, pub, clubs, hotels – has to have a licence. Applying Minimum Unit Pricing will be a condition of the licence. Everyone who sells alcohol will have to comply with Minimum Unit Pricing.

**WHAT effect will Minimum Unit Pricing have?**

Scotland will be the first country in the world to introduce a minimum price for alcohol based on the number of units in a drink. Some other countries, like Canada, have a form of minimum pricing, but the prices are not calculated in the same way. There is a lot of evidence that tells us that increasing the price means people will drink less. And if people drink less, then there will be less harm caused by alcohol.

Because this is a new policy, the Scottish Government commissioned the University of Sheffield to model the impact of the introduction of a Minimum Unit Price. Four reports were published between 2009 and 2016\(^{15}\). The modelling has consistently shown that Minimum Unit Pricing will have most impact on those who drink the most alcohol.

Most importantly the modelling estimates there will be a fall in the number of people admitted to hospital and who die from alcohol-related illnesses.

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\(^{14}\) You need to multiply by 100 because ABV is expressed as a percentage

\(^{15}\) [https://www.sheffield.ac.uk/scharr/sections/ph/research/alpol/publications#scottish](https://www.sheffield.ac.uk/scharr/sections/ph/research/alpol/publications#scottish)
The model estimated that if a Minimum Unit Price of 50 pence was introduced in the first year there would be:

- 58 fewer alcohol-related deaths
- 1,299 fewer alcohol-related hospital admissions

Over a five year period we could expect:

- 392 fewer alcohol-related deaths during that period; and
- 8,254 fewer alcohol-related hospital admissions

For some illnesses that are associated with drinking alcohol, it will take a long time to see the full benefit of drinking less. It may take 20 years for all the benefits of the policy to be realised. After 20 years, there could be 121 fewer deaths each year and over 2,000 fewer hospital admissions each year.

Alcohol-related harm is experienced more in disadvantaged communities. The modelling also looked at the impact on those on low incomes compared with others. It showed that Minimum Unit Pricing has the greatest benefits where harm is greatest16.

Earlier modelling in 201217 also estimated that introducing a Minimum Unit Price for alcohol of 50 pence would result in a reduction in crime and absenteeism from work.

The modelling also estimates that there will be an increase in revenue for the alcohol industry as a whole of around £34 million each year as a consequence of Minimum Unit Pricing at 50 pence per unit. This is because, although less alcohol will be sold, some of it will be sold at higher prices. This increase in revenue will initially be at the point of sale in the shop where people buy their alcohol. However, we do not know where this money will end up in the supply chain18. The alcohol industry does not know this either. The drop in sales will affect alcohol duty and Value Added Tax (VAT) received by the UK Government. The modelling estimates a reduction of £15 million a year in duty and VAT for the UK Government.

The Scottish Government must report to the Scottish Parliament after Minimum Unit Pricing has been in place for five years. The report will look at the impact that Minimum Unit Pricing has had on such areas as licensed premises, social and economic deprivation, age and gender. This independent evaluation will be led by NHS Health Scotland, and will include a collection of research studies. It will be for the Scottish Parliament to decide whether Minimum Unit Pricing will continue. This process is called the “sunset clause”.

18 Supply chain is generally made up of producers, distributors and retailers
WHY not tax?

Some opponents of the policy have said they would prefer alcohol tax to be used instead of a Minimum Unit Price. However, increasing tax would affect everybody who buys alcohol, including those who drink moderately. It would also affect all drinks including expensive ones. Minimum Unit Pricing will affect moderate drinkers very little, if at all, and need not affect the more expensive drinks.

Increasing alcohol tax is a good way of raising the price of all drinks and affecting the level of drinking across the whole population. However, the Scottish Government also wants to target the price of drinks that are cheap and strong. These are the alcoholic drinks that tend to be drunk by people who are at more risk of harm due to their drinking. Tax cannot target in this way, and this was recognised by the UK Supreme Court in its judgment. Changes in tax would change all prices in a category. For example, if the Chancellor of the Exchequer increases the tax on beer, all beer drinks are affected, including those in the pub. Minimum Unit Pricing is highly unlikely to increase prices in the pub. The Sheffield modelling also demonstrated that, if you wanted to use tax to impact on those at most risk of harm, tax would have to rise significantly. Tax has the additional drawback that a change in tax isn’t always passed on by retailers, in part or in full. This means that the price of drink doesn’t always go up when there is a tax increase.

WHAT else are we doing to tackle alcohol misuse?

The Scottish Government has an alcohol strategy in place. Changing Scotland’s Relationship with Alcohol: A Framework for Action\(^\text{19}\) was published in 2009 and sets out the Scottish Government’s strategic approach to tackling alcohol misuse in Scotland. It outlines a package of more than 40 measures. As well as Minimum Unit Pricing, the Framework for Action includes regulatory measures such as the quantity discount ban, a ban on irresponsible promotions, lowering the drink drive limit and introduction of an age verification policy such as Challenge 25. Other initiatives include the promotion of smaller measures of wine in pubs and bars, and the encouragement of safer drinking environments through initiatives such as Best Bar None.

The Framework for Action is currently being refreshed, and will be published early in 2018.

Further information can be found on the Alcohol Pages on the Scottish Government website at http://www.gov.scot/Topics/Health/Services/Alcohol.

CONSULTATION
Shortly before the Scottish Parliament passed the Alcohol (Minimum Pricing) (Scotland) Act 2012 in May 2012, the then Cabinet Secretary for Health announced that the preferred Minimum Unit Price was 50 pence. Following the recent successful outcome in the UK Supreme Court (https://www.supremecourt.uk/cases/uksc-2017-0025.html), we are consulting on a draft Scottish Statutory Instrument (Annex A) which would set the Minimum Unit Price at 50 pence.

Consultation:
We invite comments on the proposed minimum price of 50 pence per unit which is set out in the draft Scottish Statutory Instrument at Annex A.

A consultation is being held to provide people, businesses, public bodies and interested parties with the opportunity to comment on the proposed legislation and its associated impacts. The responses will be used to inform the refreshed Business and Regulatory Impact Assessment (BRIA) which will accompany the draft Scottish Statutory Instrument when it is laid in the Scottish Parliament. The BRIA plays an important role in explaining the impact of our legislation, so it is vital that it is up to date.
Draft Order laid before the Scottish Parliament under section 146 of the Licensing (Scotland) Act 2005 for approval by resolution of the Scottish Parliament.

2018 No.

PUBLIC HEALTH

FOOD

The Alcohol (Minimum Price per Unit) (Scotland) Order 2018

Made - - - - 2018

Coming into force - - 1 May 2018

The Scottish Ministers make the following Order in exercise of the powers conferred by paragraphs 6A(4) and (6) of schedule 3, and paragraphs 5A(4) and (6) of schedule 4, of the Licensing (Scotland) Act 2005 (“the 2005 Act’’)(a) and all other powers enabling them to do so.

There has been a consultation as required by Article 9 of Regulation (EC) No. 178/2002 of the European Parliament and of the Council laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety(b).

In accordance with section 146 of the 2005 Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

Citation and commencement

1.—(1) This Order may be cited as the Alcohol (Minimum Price per Unit) (Scotland) Order 2018 and comes into force on 1 May 2018.

(2) In this Order—

“schedule 3” means schedule 3 (premises licences: mandatory conditions) of the Licensing Scotland Act 2005; and

“schedule 4” means schedule 4 (occasional licences: mandatory conditions) of the Licensing (Scotland) Act 2005.

Minimum price per unit

2. For the purposes of paragraph 6A(3) of schedule 3 and paragraph 5A(3) of schedule 4, the minimum price per unit is 50 pence.

(a) 2005 asp 16; paragraph 6A of schedule 3 and paragraph 5A of schedule 4 were inserted by section 1 of the Alcohol (Minimum Pricing) (Scotland) Act 2012 (asp 42012); section 146 was also amended by section 1 of the 2012 Act.

Labelling provisions

3. For the purposes of paragraph 6A(5)(b) of schedule 3 and paragraph 5A(5)(b) of schedule 4, the relevant labelling provisions are the Food Information (Scotland) Regulations 2014(a)

(a) S.S.I. 2014/312 (“the 2014 Regulations”) as amended by S.S.I. 2015/410 and S.S.I. 2016/191. The 2014 Regulations enforce provisions of Regulation (EU) No 1169/2011 which deals with the provision food information to consumers. Article 9(1)(k) of Regulation 1169/2011 sets out mandatory provisions about labelling in relation to alcoholic strength of beverages containing more than 1.2% by volume of alcohol. Failure to comply with Article 9 and other related labelling provisions is an offence in terms of regulation 10 of the 2014 Regulations.
EXPLANATORY NOTE
(This note is not part of the Order)

This order is made under paragraphs 6A(4) and (6) of schedule 3 and paragraphs 5A(4) and (6) of schedule 4 of the Licensing (Scotland) Act 2005 ("the 2005 Act"). It comes into force on 1 May 2018.

The Order specifies the minimum price per unit for alcohol (50 pence). This applies for the purpose of calculating the minimum price of alcohol which may not be sold at a price below the minimum (article 2).

The Order also specifies relevant labelling provisions. These are the Food Information (Scotland) Regulations 2014 which regulate indications of the alcoholic strength of beverages set out on marks or labels on bottles or containers of alcohol.

A full business and regulatory impact assessment of the effect that this instrument will have on the costs and benefit to business, public sector and consumers has been prepared by the Scottish Government and a copy of it placed in the Scottish Parliament Information Centre. Copies may be obtained from (address) and online at www.legislation.gov.uk.

The Order was notified in draft to the European Commission in accordance with Directive (EU) 2015/1535 of the European Parliament and of the Council (OJ L 241, 17.9.2015, p.1) which lays down a procedure for the provision of information in the field of technical regulations and rules on Information Society Services.
Responding to this Consultation

We are inviting responses to this consultation by 26th January 2018

Please respond to this consultation using the Scottish Government’s consultation platform, Citizen Space. You view and respond to this consultation online at https://consult.gov.scot/alcohol-policy/minimum-unit-pricing. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 26th January 2018.

If you are unable to respond online, please complete the Respondent Information Form (see “Handling your Response” below) to: Minimumpricingconsultation@gov.scot

Handling your response

If you respond using Citizen Space (http://consult.scotland.gov.uk/), you will be directed to the Respondent Information Form. Please indicate how you wish your response to be handled and, in particular, whether you are happy for your response to be published.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form attached included in this document. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at http://consult.scotland.gov.uk. If you use Citizen Space to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to Minimumpricingconsultation@gov.scot

Scottish Government consultation process

Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: http://consult.scotland.gov.uk. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Consultations may involve seeking views in a number of different ways, such as public meetings, focus groups, or other online methods such as Dialogue (https://www.ideas.gov.scot)
Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.
Annex C
Respondent Information Form

Improving Scotland’s Health: Minimum Unit Pricing of Alcohol – Consultation Document

RESPONDENT INFORMATION FORM
Please Note this form must be completed and returned with your response.

Are you responding as an individual or an organisation?

☐ Individual
☐ Organisation

Full name or organisation’s name

If you are responding on behalf of an organisation, please tell us the type of organisation for which you are providing a response.

☐ Alcohol Industry Representative body
☐ Alcohol Retail Representative body
☐ Producer
☐ Retailer -off-trade
☐ Retailer – on-trade
☐ Public Sector Health Organisation
☐ Third Sector Health Organisation
☐ Local Government body
☐ Other (please note in the text box provided above)

Phone number

Address
The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

☐ Publish response with name
☐ Publish response only (without name)
☐ Do not publish response

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

☐ Yes
☐ No

Information for organisations:
The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

Consultation:

We invite comments on the proposed minimum price of 50 pence per unit which is set out in the draft Scottish Statutory Instrument at Annex A.