

## POLICY NOTE

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

SSI 2018/xxx

The above instrument was made 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 instrument is subject to affirmative procedure.

#### **Policy Objectives**

##### Scale of the problem

By global standards, Scotland has high levels of alcohol-related harm as a result of consuming high levels of alcohol. In 2016, in Scotland, enough alcohol was bought for every adult to consume 20.2 units per week – well above the low risk weekly drinking guideline of 14 units. This is 17% more alcohol than was bought, per adult, in England and Wales.

The average consumption of alcohol in a population is directly linked to the amount of alcohol-related harm as evidenced in a number of systematic reviews. The more we drink, the greater the risk of harm. As overall consumption has increased in Scotland, so have the resultant harms.

In 2016/17, the alcohol-related stay rate in general acute hospitals was 685 per 100,000 population, 4.4 times higher than in 1981/82. In terms of deaths due to wholly alcohol-specific causes, rates are far higher than they were in the 1990s and Scotland remains the country of the UK with the highest rate of wholly alcohol-specific deaths.

There is a strong social gradient associated with alcohol-related harm. By far the greatest harm is experienced by those who live in the most deprived areas: in 2016/17, the rate of alcohol-related hospital stays was nearly nine times higher in the 10% most deprived areas of Scotland compared with the 10% least deprived areas.

Alcohol misuse acts as a brake on Scotland's social and economic growth, costing an estimated £3.6bn per year.

##### Scotland's Alcohol Strategy

The Scottish Government's alcohol strategy sets out over 40 measures, including minimum pricing, aimed at addressing alcohol-related harm, and is closely aligned with the World Health Organization's *Global strategy to reduce harmful use of alcohol*. Measures include £689m invested since 2008 in Alcohol and Drug Partnerships; banned quantity discounts; delivered over 753,000 alcohol brief interventions to individuals who are drinking at a level that is endangering their health, to help them cut down; and reduced drink drive limit.

##### Why minimum pricing?

Scotland's minimum pricing policy aims to reduce alcohol consumption by setting a floor price below which alcohol cannot be sold. In particular, it targets a reduction in consumption of alcohol which is cheap relative to its strength. Minimum pricing achieves this aim because it is both a whole population approach and a targeted intervention – it applies to the whole population, but hazardous and harmful drinkers are likely to be affected more than moderate drinkers, in terms of the amount they drink, how much they spend and how much they benefit

from reductions in harm. Minimum pricing, therefore, effectively targets those individuals whose drinking puts them most at risk of harm. This targeting cannot be achieved through increasing alcohol duty and taxation.

In the UK, alcohol was around 60% more affordable in 2015 than in 1980, with changes varying by sector and drink types. In 2016, 51% of alcohol sold in the off-trade (supermarkets and other off-licences) in Scotland was sold at less than 50p per unit. Evidence tells us, as alcohol becomes more affordable, consumption increases; as consumption increases, harm increases.

Minimum unit pricing will apply to both the on-trade (such as pubs, clubs and restaurants) and the off-trade, however given that substantially more alcohol is consumed in the off-trade than the on-trade, and the average price of a unit of alcohol is far less in the off-trade (53p) than in the on-trade (£1.79), minimum unit pricing will be effective at tackling alcohol-related harms.

The Scottish Government commissioned the University of Sheffield to model the impacts of a minimum unit price policy. A range of minimum unit prices were modelled estimating the level of benefits. The model estimates that a 50p minimum price per unit will lead to a reduction in consumption and consequent harms, with the reduction in consumption seen disproportionately in those who drink the most.

### **Consultation**

To comply with Article 9 of Regulation (EC) No.178/2002, a public consultation took place from 1 December 2017 to 26 January 2018. As a result of that consultation, from a total number of responses of 130, 70 responded to the proposed price directly. Of these 70 (48 organisations; 22 individuals), 52 (74.3%) indicated that they are in favour of the 50p minimum unit price.

A full list of those consulted and who agreed to the release of this information is attached to the consultation report published on the Scottish Government website. It includes responses from organisations (health bodies and alcohol industry businesses) and individuals.

The consultation did not bring to light any new, relevant evidence. The Scottish Government has concluded that a minimum price of 50p per unit 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.

Several meetings with key stakeholders took place to discuss issues related to the implementation of minimum pricing both during and following the consultation period.

### **Impact Assessments**

An equality impact assessment was not completed for this instrument as one was completed for the Bill for the Alcohol (Minimum Pricing) (Scotland) Act 2012 which established the principles of the policy. The assessment concluded that the policy does not specifically target particular groups or sections of society but applies equally to all alcohol products and to all individuals.

**Financial Effects**

A final Business and Regulatory Impact Assessment (BRIA) has been completed and is attached. There is no consensus within the alcohol industry as to what impact this policy will have on the market. Various scenarios have been put forward. It is likely that less alcohol will be sold but at increased prices, and this will impact differently on different product types and individual products. Modelling shows that the alcohol industry is estimated to benefit from increased revenues as a whole. The industry is likely to incur additional administrative costs in implementing the policy.

Scottish Government  
Population Health Directorate

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