

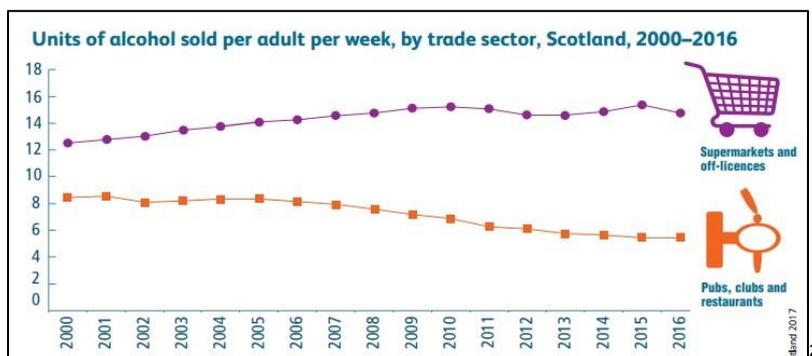
Minimum pricing of alcohol

On 15th November 2017, the Supreme Court ruled that Scotland can set a minimum price for alcohol. Originally proposed in 2012, the legislation has been held up by a legal challenge from the Scotch Whiskey Association (SWA).¹ The defeat of their appeal means that the Scottish Government is now free to proceed with its plans to introduce a minimum price of alcohol, planned to be 50 pence per unit. On 21 May the Health Secretary, Shona Robison, told MSPs that the scheme would come into force on 1st May 2018.

The idea of minimum pricing has the support of most major political parties in Scotland, while health professionals have long lobbied for such a move. On-sale premises and publicans are also thought to be broadly in favour of the move, with minimum pricing forecast to primarily affect supermarkets and larger retailers.

What is minimum pricing?

The notion of a 'minimum price' for alcohol is designed to address the issue of drink being available at low prices, often in large quantities that are linked to multi-buy deals. The changing nature of alcohol in consumption over the last few decades means that drinkers have become less likely to consume alcohol in pubs and more likely to purchase it in supermarkets or off-licences, where they will pay significantly less for the same items.



The introduction of a minimum unit price would set a floor price for alcohol, meaning that alcohol could not be sold below that. This would not affect every drink, only those that are currently sold for beneath the minimum price level. It is hoped that the introduction of such measures would help tackle binge drinking, primarily affecting those drinks sold at a low price relative to their alcohol content, including cheap spirits and white cider.

Why is it being introduced?

For its advocates, minimum pricing is an attempt to address Scotland's unhealthy relationship with alcohol. In 2014, 18% more alcohol was sold per adult in Scotland than in England and Wales – largely due to a higher number of off-sales in Scotland. In the same year, on average 1.7 more litres

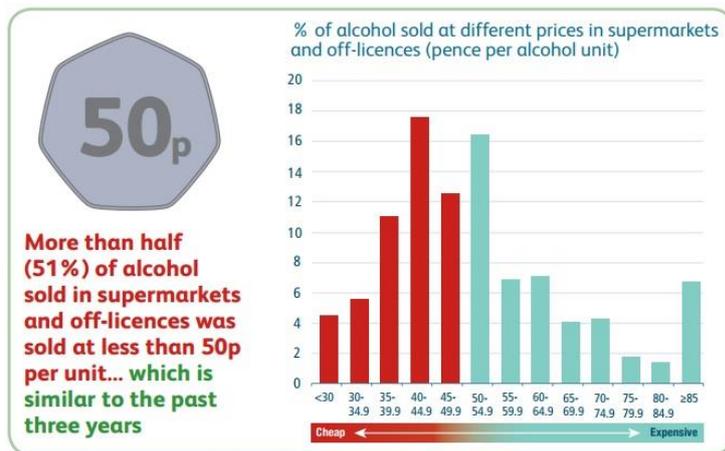
¹ 'Supreme Court backs Scottish minimum alcohol pricing, (Internet site: <http://www.bbc.co.uk/news/uk-scotland-41981909>) Accessed on 21/11/2017.

² 'Alcohol sales in Scotland in 2016' (NHS Health Scotland, 2017)

of pure alcohol per adult were sold in Scotland than in England. Alcohol related deaths in Scotland are now 1.5 times the level they were in 1980, increasing by 10% between 2015 and 2016.³

Cheap, high-strength alcohol has been identified as a key factor in this, with there being widespread consensus that super-strength drinks (particularly cheap spirits and white cider) are priced at very low levels that encourage their consumption. Policymakers believe that increasing the minimum price of alcohol will discourage binge drinking, primarily affecting heavy drinkers or young/poorer drinkers who are more likely to buy such products. Examples of products likely to be affected include:

	Old price	New minimum price (Based on projected mp of 50p per unit)	Change (+/-)
Glen's Vodka	£12.50	£13.15	£0.65
Red Wine	£3.19	£4.15	£0.96
Blended Scotch Whiskey	£11.25	£14	£2.75
20 cans of Tennants Lager	£13	£18	£5
Frosty Jack's	£3.49	£11.25	£7.76
Buckfast	£7.99	£7.99	Unchanged



2016 research found that 51% of alcohol sold in supermarkets and off-licences was sold at less than 50pence per unit, and will therefore be affected by minimum pricing legislation.

Who is in favour?

The World Health Organisation has identified minimum pricing as a highly effective way to reduce alcohol consumption and harm. Alcohol Focus Scotland, BMA Scotland, Scottish Health Action on Alcohol Problems (SHAAP) and others have also long supported the cause.

With the exception of Labour, all parties in the Scottish Parliament voted to introduce the legislation in 2012. Labour MSPs abstained, with Jackie Ballie MSP expressing concerns that while there was undoubtedly a link between alcohol consumption and price, it was counterproductive to allow the profits of increased alcohol prices to remain with retailers.⁴

³ 'Minimum unit pricing: Questions answered', (Scottish Government, 2017), p1; 'Minimum alcohol pricing in Scotland to start in May', (Internet site: <http://www.bbc.co.uk/news/uk-scotland-scotland-politics-42066394>) Accessed on 23/11/2017.

⁴ 'Scottish minimum alcohol pricing passed by parliament', (Internet site: <http://www.bbc.co.uk/news/uk-scotland-scotland-politics-18160832>) Accessed on 21/11/2017

A 2017 survey of pub landlords revealed widespread agreement (83%) that supermarket alcohol was too cheap. 41% of pub landlords supported minimum alcohol pricing, with 22% against.⁵

What are the contentious issues?

- a) Does the act penalise 'moderate' drinkers? –
 - a. The Scottish government have argued that moderate drinkers will only be marginally affected, as they only consume a small amount of alcohol and do not tend to buy the cheaper alcohol that would be most affected by minimum pricing. Some commentators estimate that due to the nature of products being targeted, moderate drinkers will only pay around £2.25 per year extra, set against the £900 that is estimated to be the total cost of alcohol abuse per year for every adult in Scotland.
- b) Does minimum pricing only benefit supermarkets?
 - a. The fact that the extra revenue from minimum pricing will be kept by supermarkets and stores has been the source of some controversy. Some campaigners – including the Scottish Labour Party - view this as retailers profiting from a policy that was meant to recognise alcohol's negative effect on society. The Scottish Government have claimed that the only direct effect of the legislation will be on the price charged to the consumer, with producers and retailers able to negotiate on the price of contracts between them. The Government also expect minimum pricing to create a level playing field between big supermarkets and smaller retailers, who may be less able to offer big discounts.
- c) Does it discriminate against lower income drinkers?
 - a. A recurring argument used by opponents of the scheme, including many columnists in the national media, is the effect that it will have on drinkers from lower-income groups. Proponents of the legislation argue that it will improve health and discourage excessive drinking through the introduction of higher prices, while opponents counter by arguing that the measures are simply discriminating against poorer drinkers, who will be forced to pay more. A point of contention is whether higher prices will deter such drinkers, or whether they will simply spend a higher proportion of their income on drink.
- d) Will it lead to 'Booze runs' across the English border?
 - a. A common scenario posited by those sceptical of minimum pricing is that enterprising individuals may stock up on affected products in England, before returning to Scotland and selling the goods for a lower price than Scottish retail price. The amount of alcohol that would have to be resold to make such a scheme financially viable appears to make it a fanciful proposition. Furthermore, both England and Wales show signs of following Scotland's lead in moving towards the introduction of minimum pricing.

Has it been trialled elsewhere?

The example of Canada is often cited by supporters of minimum pricing, but the situation is not identical. Rather than simply setting a minimum price, the Canadian example sees the state take an active role in the supply and distribution of almost all alcohol sold in the country. The government also owns and runs off-licences, with provincial government's liquor control boards making up a vital

⁵ *Pubs Quizzed: What Publicans think about policy, public health and the changing trade* (Institute of Alcohol Studies, September 2017)

part of the wider revenue stream. As a result, the introduction of minimum pricing was not prompted by health concerns but as a way to safeguard the revenue stream generated by alcohol.⁶

The Wine and Spirit Trade Association have argued that Canada is not a comparable example, having a floor price and not a MUP. "Different products have different prices and this is not simply based on the unit price, the majority of which is sold through a monopoly."⁷

Is the policy likely to change?

Legislation for minimum pricing was originally passed in 2012, before being caught up in a five-year court battle. As a result, a number of voices have questioned whether the minimum price per unit should be increased, to reflect the change in alcohol prices over this period. These include Dr Chris Holmes, author of the original study into minimum pricing, and figures from the Scottish Conservatives and Scottish Liberal Democrats, with a minimum price of up to 60p being suggested.

A five year 'Sunset clause' has been built into the legislation that will see minimum pricing evaluated after it has been in action for five years. Theoretically, this could result in amendments to the policy or, in the most extreme scenario, it being brought to an end.

The publicity around the introduction of minimum pricing for alcohol has led to renewed calls for a similar measure to be introduced for cigarettes. Research has shown that smoking levels in Scotland have remained static since 2013, with 21% of adults smoking and significantly more in areas of high deprivation.⁸ A recent study identified pricing and retail density as two of the most significant issues, but opponents have countered that smoking is a legal matter of individual choice.⁹

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⁶ 'Canada is proof that state controlled drinking is good for your health' (Internet site: <https://www.theguardian.com/society/2013/apr/30/canada-state-controlled-drinking-health>) Accessed on 21/11/2017

⁷ *Briefing: Minimum Unit Pricing* (The Wine and Spirit Trade Association)

⁸ 'Increased or minimum tobacco price: could cut number of smokers' (Internet site: <http://www.bbc.co.uk/news/uk-scotland-42081019>) Accessed on 23/11/2017

⁹ Yvonne Laird, Fiona Myers, Garth Reid, and John McAteer, *Tobacco control policy in Scotland: A qualitative study of expert views on successes, challenges and future actions* (Scottish Collaboration for Public Health Research & Policy 2 NHS Health Scotland, 2017)